The Nation's Business

# THE FINANCIAL POST

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### Mr. Bennett's Retirement

THE statement from the former leader of the Conservative party of Canada, which The Financial Post publishes this week, will be read with great interest. Mr. Bennett declares that, from the time he made his decision last March to retire on the advice of his physicians, he never wavered. His decision was at all times irrevocable, he says.

Mr. Bennett's exposition of his relationship to the recent Conservative convention was written by way of comment on statements in The Financial Post, similar to statements that appeared in a number of other newspapers in Canada, that his position was uncertain until nomination day itself. His position was never uncertain, the former Opposition leader affirms, and he adds that he discouraged all efforts on the part of his political friends to induce him to change his mind and stand for renomination.

Mr. Bennett confirms also the fact that his personal choice for the leadership was not Dr. Manion but Senator Meighen, although he did not, he says, play any important part in the campaign proceedings nor actively oppose Dr. Manion.

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THAT Mr. Bennett's "irrevocable" decision not to permit his name to stand for renomination was not so regarded by those intimately associated with the work of the convention and was not known by them to be his final and unwavering decision, is abundantly clear. Mr. Bennett indicates that Mr. Massey and Mr. Lawson waited upon him on the very day of nomination, pressing him to reconsider his position. Would they have done so had they known his decision to be quite final?

At least one of the four final candidates for the leadership told The Financial Post on nomination day that he was uncertain as to the finality of Mr. Bennett's decision.

Leading Conservative newspapers regarded Mr. Bennett as a possible candidate up to within a few hours of the nominations.

The Evening Telegram, Toronto, on the day before the nominations, ran a streamer across the full width of its front page reading, "Bennett Boom Sweeps Tory Convention." Its article said in part:

"A conviction that Rt. Hon. R. B. Bennett is the logical choice to carry the Conservative standard . . . was sweeping through the delegates to the national convention today."

The balance of the article was in similar vein.

Would such a conviction "sweep through" a convention that knew beyond doubt that Mr. Bennett had "irrevocably" decided to retire?

Not until late Wednesday, just before the actual nominations, did the Telegram flash a bulletin that read as follows:

"Rt. Hon. R. B. Bennett is definitely decided not to be a candidate to succeed himself as Conservative, it was indicated at Ottawa late today."

"Late today" meant just before the nominations.

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THE next largest Conservative newspaper in Ontario is the Ottawa Journal. Its report of the nominations included this statement:

"Possibility of Mr. Bennett, Rt. Hon. Arthur Meighen and Hon. H. H. Stevens standing for the leadership disappeared definitely about four o'clock Thursday afternoon."

The "Thursday" was an obvious error and "Wednesday" was the intended word.

Apparently Mr. Bennett's decision to retire was not finally accepted until late Wednesday afternoon when he was presented with the portrait of himself and pronounced his valedictory.

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### Wheat Markets Our Big Need

BY A stroke of the pen, Premier Mussolini the other day reduced Italy's potential wheat imports by 36 million bushels. Il Duce ordered Italian millers to incorporate more coarse grains in their bread flour. He also told them to screen out less bran and shorts, by-products which formerly went into livestock feed, not into bread for human consumption.

Germany has been doing the same thing for several years and as a result has reduced imports of foreign wheat and flour to almost negligible proportions. Ten years ago Germany's annual imports of wheat averaged around 40 million bushels and the bulk came from Canada. Nationalistic countries in Europe maintain tariffs on imported wheat up to $250 per bushel. They have made wheat flour and white bread a luxury, something to be used sparingly. For such a step they plead two main reasons. First, necessity for self-sufficiency of foodstuffs in the advent of war and, second, reduction of imports to the level of their exports.

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SO LONG as Europe maintains these restrictions on imports it is going to be difficult indeed for Canada to find a profitable export market for the amount of wheat that this country must produce if the Prairie Provinces are to prosper.

Reopening of European markets should be the paramount objective of the Canadian Wheat Board. It was the main point stressed in the Turgeon Report. Minimum price for

(Continued on page 2, col. 4)

## Insurance Gives Lead To Careful Investors

### List of Stocks Eligible for Purchase by Life Companies Provides Clues for the Cautious — Most Firms Now as Fully Invested as They Ever Are — Recent Additions Analyzed

Canadian life insurance companies have more than $2,000 millions to keep wisely and profitably invested. More than $300 millions of that amount is in common and preferred stocks. Almost $1,000 millions is invested in a wide variety of bonds and debentures. The life companies have skilled investment advice.

What are these organizations doing these days when the security markets are finding new life? Their example might be important for the private investor.

**Fully Invested**

Most companies are fully invested—or as fully invested as they ever are. This fact and the sentiments of their investment counsellors would suggest to the private investor that forebodings of recent months were much too gloomy and that the weight of evidence points to a rising market over the six or eight month term.

But one reservation was mentioned by several. "I would like to see the stock market take one more dip," one counsellor observed. "I may be a bit old fashioned and it is very true that a lot of the old 'rules' about chart reading no longer seem to apply. But if we had a little decline in the next week or two, I would feel a lot safer. Then, I would be as convinced as anyone ever is about market movements that we were on the long up-grade."

**Picked up Bargains**

Like many astute investors, several insurance houses have been quietly picking up "bargains" on the industrial exchanges of Canada and the United States.

Here are some of the additions to their portfolios. Moore Corp. A, Canadian Industries B, American Telephone and Telegraph, Standard Oil of New Jersey, Woolworth, Noranda, International Pete, Goodyear Tire, Bell Telephone, Imperial Oil. One counsellor thought that in spite of the strong rise of recent weeks in paper issues, some of them were today a better buy than a couple of months ago.

Other issues are Dominion Glass, E. I. Dupont, G. Tamblyn and Canadian bank stocks.

A couple of counsellors appeared partial to highest grade utility issues here and in United States. A couple mentioned that they were keeping an eye on stocks which might be expected to appreciate with the big western wheat crop.

Two of the officials suggested that the Canadian bond market was too high and a long way out of line with the British and United States bond markets.

Desirable bond issues have been too scarce in Canada for insurance company needs and it was mentioned that large sums of money now invested in low yield governments will be switched into other types as soon as opportunity offers.

Among corporate bonds which have been taken on by insurance companies recently are Silverwood Dairies, Gypsum, Lime and Alabastine, Parisian Laundry, Ottawa Light, Heat and Power, and Montreal Light, Heat and Power, Aluminium Ltd., Canada Packers, Great Lakes Paper, Hamilton By-Products, Lake St. John Power and Paper, Mersey Paper, Price Bros. Main body of bonds is, of course, the government group, including Dominion, provincials and municipals.

**Mortgages Still Scarce**

Mortgages are being eagerly sought by virtually all insurance companies. All said they couldn't get nearly enough of them. Several mentioned that the competition for mortgages is so keen between the many agencies in the field for this business that an unhealthy real estate situation is being created with inflated valuations. In other words, some mortgage interests are allegedly giving mortgages of 90% and more of the real value of the property rather than the accepted 60%.

Great proportion of the small volume of mortgages now available is

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## Wheat Pricing Vexes Ottawa

### Delay in Setting Minimum Upsets World Markets

From Our Own Correspondent

OTTAWA.—Government delay in fixing the new minimum wheat price is expected to result in further market uncertainty. Traders at both Winnipeg and Chicago are reported extremely hesitant about purchasing grain until the buying intentions of the Canadian Wheat Board are made known.

Western farmers continue in the dark as to what their maturing crop is worth. Industrial companies banking on large sales in the Prairie Provinces this fall are still unable to appraise the expected demand.

The Dominion Cabinet admittedly faces a most difficult decision in setting the minimum price the wheat board will pay.

Price announcement was fully expected early this week. Reports to this effect were not contradicted.

**Estimates Vary**

Estimates of what the minimum price will be vary from 60 cents to over a dollar. Guesses as to the marketing policy of the Board fluctuate almost as widely. Generally speaking the Wheat Pools and similar organizations are agitating for a high minimum price regardless of world markets. They also advocate holding back Canadian wheat.

Opinion among the regular grain trade is divided but generally favors a moderate minimum between 60 and 70 cents. This, it is claimed, would more than cover average cost of production and would permit the Government Wheat Board to sell freely with relatively small losses. It is felt that withholding of supplies, as practised by the McFarland wheat board, only antagonizes customers.

Government delay of the price announcement has led many grain men to believe that the intention is to fix a low minimum closely in keeping with present market quotations.

**Market Uncertain**

A month ago the Winnipeg October future, which covers the month in which the bulk of Canadian wheat usually reaches the market, stood close to 90 cents. Early this week it was at 75. Under such circumstances the Dominion Cabinet must have found it exceedingly difficult to attempt to guess what the world would be willing to pay for wheat two months hence.

There has been little help coming from United States. There the Government has adopted a loaning policy by which farmers are advanced an average of 60 cents per bushel if they store their wheat.

If this policy holds American prices around 60 cents then Canada might expect an easy selling job under the U. S. umbrella. Sixty cents for American wheat would mean at least 70 cents in Canada because of the usual premium on Canadian quality and British preference.

Unfortunately for the Dominion Cabinet's peace of mind, however, the American policy is not yet working out as planned and Chicago prices have already broken below the loan level.

## Plans Drafted For Producing British Planes

### Canadian Manufacturers May Form Joint Company

**CENTRAL ASSEMBLY**

Canadian manufacturers of aircraft, parts and materials busied themselves this week in preparation for the expected arrival in Canada of the second British Air Mission. Exhaustive information was assembled, tentative production plans drafted, and co-operative arrangements made, to facilitate the Mission's declared objective of initiating large scale production in Canada of war 'planes for the British air force.

Members of the Mission are scheduled to arrive at Ottawa late this week or early next. They are expected to go into immediate conference with Government spokesmen, officials and experts of the Department of National Defence, and representatives of manufacturers. Main problems to be settled are scope and method of the proposed production of British military aircraft, and terms of the contracts that may be entered into.

**Aircraft Makers Confer**

In the past 10 days a number of conferences have been held at Ottawa by officials of leading Canadian firms engaged in production of aircraft and chief component parts. United in the Commercial Air Transport & Manufacturers Association of Canada, the conferees netted three main results from their deliberations:

1. Acceptance by the National Defence Department of the Association's offer of full co-operation to carry out the Mission's objective.

2. Sanction by the Minister of National Defence for collaboration with the Association of Lieut.-Col. L. R. Lafleche, deputy minister.

3. Formulation of a tentative plan for creation of a joint company embracing all aircraft manufacturers, and erection by this concern of the large plant necessary for the assembly and testing of the 'planes to be built.

**Central Assembly Plant**

There is no plant in Canada sufficiently large for the complete production, final assembly and testing of the big bombing 'planes that Britain wants to have made here. It is considered uneconomic for all or most of the existing plants to be expanded to meet this requirement. Instead, it is planned to allot manufacture of the various component parts to different manufacturers, and have them assembled at a central assembly-test establishment. Even under this scheme, some expansion of present factories would be necessary.

Both individually and through their organizations, makers of parts, materials and supplies used in aircraft production have also assured Government authorities of their desire to co-operate in launching British war 'plane manufacture in Canada.

## Barber Larder Rechecks Holes

Results of Engineer Wilmot's recheck of holes at Barber Larder Gold Mines show a wide discrepancy on Hole 38 and lesser differences on a few other holes. In the main, results announced over the past months have been, to a considerable degree, confirmed.

Results of the recheck on Hole 38 stand in a class by themselves because of the wide discrepancy. Early reports of $194.95 and $129.15 are amended by Engineer Wilmot to .35 and .17.

On hole 50, average of values first announced was $20.65. The recheck gives values of $13.51. On hole 51 the old average was $9.71, the new average $3.

On other holes, the check and recheck are not greatly out of line. Probably typical of the general run is hole 52 with the following results: Old-New, 10. 15-14.35, 24.50-26.95, 35.00-30.10, 5.25-5.25.

Common-sense Speculation No. 13

## How to Develop Profit From Investments

### When to Buy More Important Than What to Buy — When in Doubt Advice is to Stick to Sidelines

By "THE TRADER"

*There is no system for "beating" the market, but there are rules that no investor can afford to ignore, The Trader points out in his thirteenth article on Common Sense Speculation.*

*In a changing world diversification is necessary. There should be distribution of investment among different companies of an industry as well as among different industries. But there is such a thing as carrying diversification too far.*

*The Trader points out that when to buy is more important than what and stresses the importance of judgment and patience. When in doubt, he says, stick to the sidelines.*

*In the final article of the series next week The Trader, who writes Barron's weekly column, "The Trader looks at the Market," will give additional elementary rules for speculative guidance and enumerate a few pitfalls often overlooked by the uninitiated.*

*The series appears exclusively in The Financial Post in Canada.*

When it comes to setting down in black and white definite rules for stock market speculation, the trouble is that the majority of people expect a dozen or so dogmatic guides to be promulgated. All that an experienced person can do is to offer certain practical and fundamental observations which may help to avoid the demonstrated recurrent human errors of judgment in operations so frequently attended by emotional thinking.

It will never be possible to lay down seriatim a set of formulae to beat the stock market any more than it will be to evolve a method for beating Monte Carlo. Conditions are not the same at the top of every bull market or at the bottom of every bear swing. There have been bull markets when money commanded a prohibitive figure and there have been bear markets when money has been going begging, and there is yet to be devised an infallible rule for appraising stock prices by measuring earning power. All that anyone can do in proffering rules is to attempt to avoid everday errors of speculative reasoning.

In the first place, it cannot be overemphasized that there is no easy road to riches. A subscriber submits 13 queries to encompass the problem of "What are the easiest ways that can be used to make money in the stock market?" At the bottom of the letter he adds that he wants those questions answered "shortly and simply" as he hasn't the patience to read articles for months on end." Such an attitude is the very epitome of wanting "something for nothing." In speculation, eternal vigilance, which means the devotion of time and energy to the study of values, is absolutely essential to success.

**Why Investment Trusts?**

First question submitted by this subscriber was whether investment trust shares are not the investment solution for the average trader. The answer must necessarily be that, regardless of management, in speculating through investment trust shares one merely delegates responsibility. By so doing it is impossible to train oneself in the knowledge of the stock market and of speculative values. Investment trust losses or profits on paper multiply rapidly in the event of a sharp decline or rise in the stock market because of the big commitments. The huge blocks of stock owned by investment trusts, however, make it impossible for management of the highest order to operate with the same flexibility as an individual.

Great doubt seems to exist in the

(Continued on page 10)

## Bid for Utility Is Opposed

### City Advised Against Buying Hamilton Street Railway

A recommendation that the city of Hamilton should refrain from bidding for assets of the Hamilton Street Railway has been made to the city council by a special committee investigating the question.

The Hydro-Electric Power Commission of Ontario, owner of the road, has called for tenders for purchase to Aug. 22.

Civic Finance Commissioner E. R. C. Bower stated that he considered purchase of the railroad "a hazardous speculation."

Should private interests acquire the system, the city would still receive taxes and 4% of gross receipts and the operating agreement would be the same as with the Commission. Under this agreement the city has the right to acquire the utility's property if it stops operations.

As at Oct. 31, 1937, total assets of the company amounted to $4,358,678. Properties, road and equipment, franchises, etc., totalled $4,210,788. Reserve for depreciation was shown on the liability side of the balance sheet at $1,162,748. Capital stock of the company was valued at $3,205,000.

In the 1937 fiscal year net operating income amounted to $277,150, as compared with $123,739 in 1936. In 1937, after appropriation for dividends of $122,969 and appropriations for ticket reserve of $3,331 were deducted, the year's income was wiped out. There was a net deficit of $32,518 in 1936.

## Tax Arrears Down In Montreal Area

From Our Own Correspondent

MONTREAL.—Tax arrears of the 11 solvent municipalities under the jurisdiction of Montreal Metropolitan Commission were reduced $80,000 in June to $1,404,000.

Tax arrears of the three insolvent municipalities—Pointe aux Trembles, Montreal North and Ville St. Michel—also declined in June.

## Bank Plans Building For Ontario Offices

### Large Structure to House Bank of Montreal Headquarters

A new Ontario headquarters building of the Bank of Montreal is to be erected on the downtown Toronto site presently occupied by the former Mail & Empire building, according to announcement this week by bank officials.

The structure will be of substantial size, providing accommodation for the main city office of the bank, its Ontario headquarters facilities, and surplus space for rental as offices. Plans are now being drafted by Chapman & Oxley, Toronto architects, in association with K. R. Blatherwick and H. Stirling Maxwell of the bank's premises department.

Details as to size, cost and equipment are not yet ready for announcement. Indications are, however, that the building will be between 12 and 15 stories high, with the bank's main Toronto branch and provincial headquarters offices occupying about half of the structure.

**Completed by 1940**

Leases of office and retail premises still occupied in the Mail & Empire Building all expire at the end of this year. They will be allowed to run to expiry, but will not be renewed, and demolition of the building will begin early next year. Erection of the new bank structure will commence next spring and is expected to be completed by the end of 1939 or early 1940.

Public statement issued by W. T. A. MacFadyen, Ontario superintendent of the bank, declares that the new building will represent the "last word in modern banking accommodation and equipment." It will provide for both present requirements and expected future development of the bank's business in Ontario.

Design will be harmonized with the modern functional simplicity characterizing the major building developments in recent years in the area adjoining the site. These include the buildings of the North American Life Assurance Co., Royal Trust Co., Imperial Bank of Canada, Toronto Globe & Mail, Toronto Daily Star, Canada Mortgage Corp., and Canadian Bank of Commerce.

**Present Quarters Inadequate**

Present Ontario headquarters of the bank, at Yonge and Front streets, is in a group of old buildings which for some time have proved unsatisfactory. Space is acutely inadequate, layout of the connected buildings is inconvenient and old-fashioned, and location long ago ceased to be close to the financial and commercial centre of the city. Site of the new building, at Bay and King Streets, is at the heart of the downtown district

Need for the new headquarters has been made particularly urgent by the fact that the Bank of Montreal now has more branches in Ontario than any other province. Present Ontario total is 209, compared with 110 in Quebec.

## *British Mills Maintain Price*

From Our Own Correspondent

MONTREAL. — The price of newsprint in Great Britain will remain unchanged for the first quarter of 1939 at least. The present price is £11 10s per long ton, equivalent in Canadian funds to about $51 per short ton.

After the first three months there is to be a reduction in price to £11 5s, equivalent in Canadian funds to about $50 a short ton.

In newsprint circles the maintenance of the present price level by British mills is regarded as a constructive development. It had been expected there would be a reduction in view of the drop in pulp prices. In fact, it was reported publishers expected a reduction to the 1937 price of £10 per ton.

## Bennett Avers Never Wavered In Plan to Quit

### Did Not Actively Oppose Manion But Preferred Meighen

**NOT "DISAPPOINTED"**

When Rt. Hon. R. B. Bennett announced in March last his desire to surrender the leadership of the Conservative party, his decision was "irrevocable." There may have been uncertainty in the minds of other people but there was never any uncertainty in his mind. His decision to retire was, from the first, a final decision.

So Mr. Bennett emphatically asserts in a statement to The Financial Post.

The former Conservative national leader indicates why he did not play an active part in aiding the party to find a new chief. "Mr. Meighen did not at Winnipeg and I felt that any active effort that I might make would be misunderstood and I wished the party to deal with the situation as though I did not exist."

**Deemed Meighen Best**

However, Mr. Bennett adds, while he did not actively oppose Dr. Manion for the leadership, he actually supported Mr. Meighen, "not that I was opposed to Dr. Manion but because I believed Mr. Meighen to be the best qualified man, under present conditions, for the position."

Mr. Bennett's statement was written in reply to comments by The Financial Post's staff writer covering the convention that his "position was uncertain until the very last minute on nomination day," and that not only did he "actively oppose the Manion candidature, but his hesitancy to finally withdraw made it embarrassing for other aspirants."

**Never "Uncertain"**

Mr. Bennett makes eight points in connection with the leadership and the Conservative convention. They are as follows:

"1. My position was not uncertain 'up until the very last minute on nomination day.' When in March last I read to our supporters in the House of Commons and Senate the opinion of the doctors, both at home and abroad, I added in order to remove any possible doubt as to the future that my intention to retire was 'irrevocable.' I repeated it until I was weary doing so. When Mr. White, the chairman of the committee that presented me with the portrait, asked me whether he should indicate by the inscription on the plate that it was presented on the occasion of my resignation, etc., I answered: 'Certainly, my resignation is final.'

"Prior to the convention meeting, a number of friends represented to me that they were going to make a very determined effort to induce me to remain, I told them that if they undertook any such effort I would not attend the convention and I was finally assured that no effort of that kind would be made. The truth is that when I thanked the members for the portrait I made a speech entirely different from that which I would have made under normal circumstances, so as to enable me to say, as I did, that it was 'farewell.'

**Not "Disappointed"**

"2. I assure you I was not 'disappointed,' 'greatly' or otherwise, that delegations did not wait on me to reconsider my resignation. As a matter of fact, delegates did wait on me before the convention met and during the first day of the convention and I was promised almost unanimous support (except from Quebec) if I would consent to reconsider my position.

"I went so far as to indicate to those who saw me that I would regard it as a personal indignity if they continued their efforts, and especially if they made the demonstration which they said they were going to make. I pointed out that it would be unfair to whoever succeeded me, in view of the fact that nothing would induce me to change my mind; and, secondly, that having made possible the candidature of at least three of the prospective nom-

(Continued on page 5)

## Highlights

**Oil men** regard new proration plan for Turner Valley with favor and place confidence in officials who are working out the new arrangements.
*The Week in Oils—p. 13.*

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**Practical test** of cheap housing shows that durability and low upkeep can go with low initial cost. Concrete results are given of erection of house for less than $2,500.
*Cheap Housing Test—p. 12.*

• • •

**What has** our Governor-General up his sleeve? The Financial Post's London columnist, the famous Atticus, reports that Lord Tweedsmuir is planning something for next year "of immense interest" to Canada, the United States and Great Britain.
*London Calling—p. 3.*

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**Steady development** has replaced the quick action, mushroom growth in British Columbia's Zeballos gold field with spectacular showings continuing but no definite indication yet as to the size of the field.
*Zeballos Gets Into High—p. 14.*

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## Western Canada Reorganizes for Profit

By GORDON L. SMITH,
Staff Writer, The Financial Post

When a company or country goes through a period of five successive years with output cut in two it either goes broke or it learns something. Not since 1932 has the West harvested a normal wheat crop. But this vast area is neither ruined nor bankrupt.

It has learned to produce wheat at low cost. It has learned to fight rust, grasshoppers, even drought.

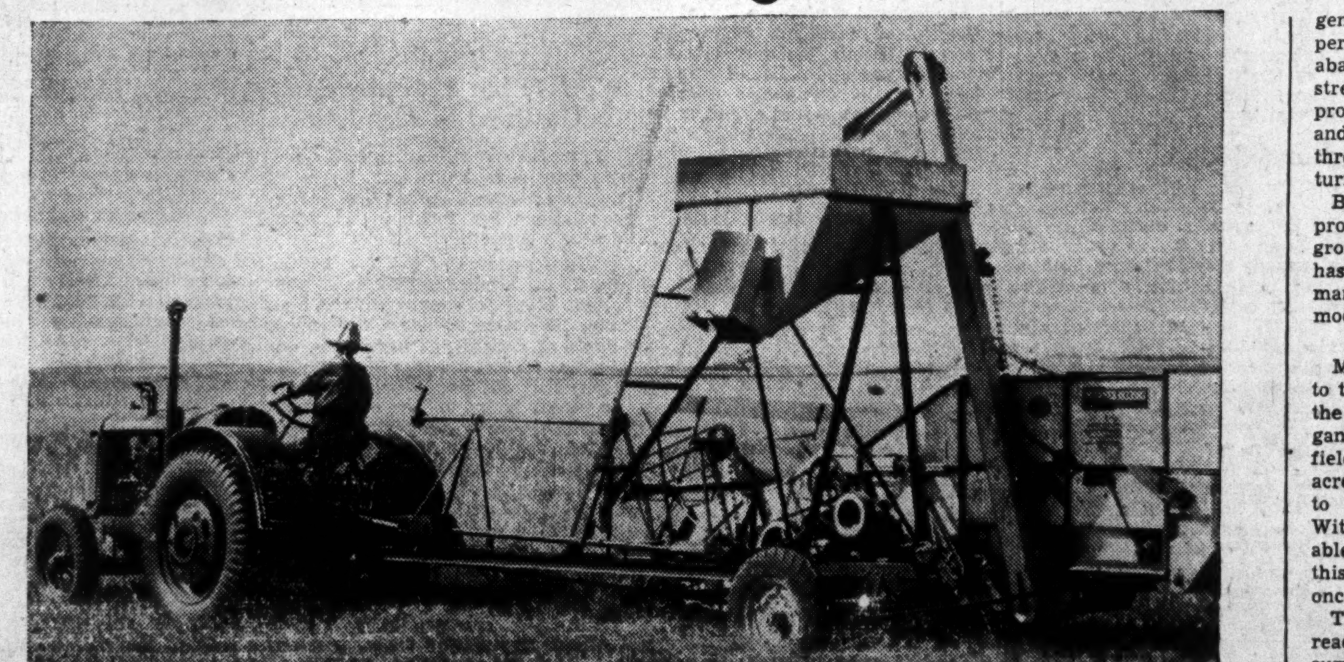
In spite of the longest drought in the history of North American agriculture it has succeeded in keeping its great wheat-growing machinery intact and efficient and will undoubtedly turn out a crop this fall that will compare favorably with the old time average.

**Has Cut Costs**

Back during war boom days cost of production was of minor importance. With the world eager to buy regardless of price it did not matter a great deal whether it cost $1 or 50 cents to grow a bushel of wheat. With an average price of close to $2 at the country elevator there was plenty of profit for everybody.

But when prices fell to 30 cents for the best grades in 1932 and the 1930-35 average very little higher, then the difference between good farming and bad, rich soil and poor, became sharply apparent. Ravages by rust, drought and pests also became more important.

And so labor-saving machinery was



The combination, tractor and combine, that is working a revolution in western farming. Three men operating a medium sized outfit, plus a grain wagon, can completely harvest 30 acres of wheat a day, a job that required 11 men and much more machinery a few years ago.

adopted, marginal land abandoned, rust-resistant wheat introduced and community-wide campaigns were waged against insect pests and drought-stirred soil drifting.

The result has been a new West, reorganized and stabilized on a wheat-growing acreage equal to the average of the last 10 years. Contrary to somewhat general predictions during the drought period, there has been no wholesale land abandonment and there are still wide stretches of fertile soil which this year promise yields of anywhere between 30 and 50 bushels. Not more than two or three million acres or about 10% will be turned back to the grazer.

Because low prices came well ahead of prolonged drought first job of the wheat grower was to get costs down. In this he has been ably assisted by the implement manufacturer. Trump card has been the modern tractor.

**Machine Farming**

Machine farming, of course, is not new to the Canadian West. During and after the war there were mammoth tractors, gang plows working on single wheat fields running into many thousands of acres. But these outfits were expensive to buy, equally expensive to operate. With $2 wheat, huge holdings and favorable weather, they had a chance, but this sort of a combination comes only once in a century.

The mammoth outfits never even reached the big depression, they succumbed almost completely in the little price adjusting crash which closely followed the war. Something new had to be invented, something more in line with three to five hundred acre holdings, 50-cent wheat, hard-fisted credit. The medium-powered, medium-priced

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# It's the "EATS" that count

*Give the details to*

Elizabeth Yorke

*Menu Advisor of the*

## HOSTESS SHOP

No more wondering what to "sling" together for the boys—Give Miss Yorke the details. How Many? How Much? That's all—a box of food that would make any man's eyes bulge with anticipation, will be made up and delivered at the appointed time. Miss Yorke has a flair for just the right things for that "stag" or outing of yours — tempting palate teasers — and those delightful "extras" which put plenty of zip into the occasion.

Crackers (not the ordinary kind); Cheese (with plenty of tang); Olives, Pickles (dills are good); Sardines; Fruit Cordials (for mixing); little cocktail sausages (on toothpicks); tasty fish and many other such things that go "down" with gusto!

**Phone or see The Hostess Shop Staff.**

### EATON'S SERVICES

**Eaton's has special convenient services if you are planning holidays at your camp or cottage — $15.00 orders are delivered to your nearest station or dock or where certain arrangements are in effect direct to your summer cottage within a radius of 200 miles of Toronto, at no extra charge.**

EATON'S HOSTESS SHOP

*5th Floor, Yonge St.* *Phone AD. 5011 and ask for Hostess Shop*

THE T. EATON CO LIMITED


## Detroit Bridge Creditors Asked to File Claims

Creditors of Detroit International Bridge Co. are notified to file verified statements of their claims against the company at its head office on or before August 12, 1938.

The company has filed a list of preferred and common shareholders of record May 26, 1938. Shareholders whose names do not appear on this list are also advised to file individual claims by Aug. 12. Otherwise they may be barred from participating in any plan of reorganization except upon special court order.

Acting on behalf of holders of the $11,978,000 of joint first mortgage bonds and $8 millions of 7% debentures, plus accrued interest, the New York Trust Co. has filed proof of claims.

Steps have been started toward reorganizing the company under section 77B of the U. S. Bankruptcy Act.

## St. Maurice Co. To Build Plant

From Our Own Correspondent

MONTREAL. — St. Maurice Power Co., jointly controlled by Shawinigan Water & Power Co. and Brown Corp., has been authorized by the Quebec Electricity Board to proceed with construction of a new plant on the St. Maurice River.

The new development will have a capacity of 6 vertical generating units of 40,000 h.p. each, four of them to be installed under present plans, leaving two for future installation.

Approximately $15 millions will be spent on the work and the plant will be brought into operation about the beginning of 1940.

## Can. Investment Fund Sets Quarterly Rate at 4c

MONTREAL. — Canadian Investment Fund has declared a quarterly dividend of four cents a share on the special and ordinary shares of the company, payable Aug. 1 to shareholders of record July 15.

### Uchi Orders Mill

A 500-ton mill has been ordered by Uchi Gold Mines from General Engineering Co., it is reported. The new mill will have a crushing capacity of 2,000 tons daily which will allow an early expansion of mill tonnage above the 500-ton rate, if this should be found desirable. It is understood that erection will start immediately and that mill parts are now on the way to the property.

## Canada Northern Extends Operations

From Our Own Correspondent

MONTREAL. — Canada Northern Power reports that a new contract has been entered into with Upper Canada Mines in the Larder Lake area of Northern Ontario.

Early in May, the company completed the feeder and is now serving power to the Lapa-Cadillac Gold Mines of Northern Quebec.

The distribution system at Lorrainville, P.Q., and the transmission line connecting the village with the company's system, were placed in operation on June 9.

In Malartic Township, P.Q., a townsite has been established and electric service to the inhabitants is now being maintained by the company.


*ARE you checking credits or are you just lucky?*

***With the existing uncertainty in business, why expose your accounts receivable to needless risks? Our Maturity Account Service provides for the payment to you of all outstanding accounts, ten days after due date, whether or not your customers have paid.***

***Upon request, one of our representatives will call on you without obligation to you.***

**James Talcott of Canada, Limited**

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# Labor Laws Are Analyzed

## Study Compares Canadian and U. S. Protective Legislation

Analysis of provincial legislation in Canada regarding the right of workers to organize, and comparison with the National Labor Relations Act of the United States, are embodied in a newly issued bulletin of the industrial relations section of Queen's University, Kingston.

Common to both the American act and the comparatively new Canadian statutes is recognition of right of employee organization and collective bargaining, as well as bans on interference by employers with such rights. But the bulletin points out that the Canadian legislation "does not define unfair labor practice as clearly as the American legislation, nor does it set up special machinery for investigating complaints."

The statutes passed in Canada do not set up a positive means for the removal of obstacles which discourage or interfere with collective bargaining, the bulletin adds. It is the operation of this "positive means"—the National Labor Relations Board—that has caused so much controversy in the United States and aroused such vigorous opposition of employers to the Wagner Act.

The bulletin comments:

"The effectiveness of the Canadian legislation will depend on the extent to which labor seeks to invoke its protection and the interpretation placed upon it by the courts."

The Canadian statutes covered by the study are those passed early last year in Nova Scotia, Quebec and Manitoba; in December last in British Columbia, and early this year in Saskatchewan, Alberta and New Brunswick. Only in Nova Scotia and Saskatchewan do the laws deal solely with the right to organize, the other statutes dealing primarily with adjustment and prevention of industrial disputes.

The bulletin shows that while all provinces recognize right to organize and bargain, only three (Alberta, British Columbia and Nova Scotia) provide penalties for employers refusing to bargain collectively. In Nova Scotia only is there any provision for the closed shop and the check-off, while Quebec expressly bars such practices.

The Queen's University industrial relations section was formed last fall, as a wing of the School of Commerce, to study employer-employee relations in Canada.

# Soo Line Deficit Larger This Year

## Six Mos. Revenue Shows Drop, Partly Offset by Lower Costs

Minneapolis, St. Paul & Sault Ste. Marie Railway Co. experienced a larger deficit in the first half of 1938 than in the corresponding half of 1937. The company, which is controlled by Canadian Pacific Railway, suffered decreases in all divisions of revenue. Expenses were also reduced but not enough to compensate for the lower income with the result that net railway revenue was only $27,711 against $314,860.

Higher taxes, hire of equipment and other deductions added to the unsatisfactory results and net deficit for the period, after allowing for interest on funded debt, was $3.9 millions against $3.2 millions.

Details of the condensed income statement follow:

Income Statement
Six Months Ended June 30

| | 1938 | 1937 |
|---|---|---|
| | $ | $ |
| Total revenue | 5,876,047 | 6,625,063 |
| Less: Expenses | 5,848,336 | 6,310,203 |
| Net rlwy. rev. | 27,711 | 314,860 |
| Less: Taxes | 575,508 | 228,209 |
| Hire of equipment | 107,578 | 81,401 |
| Terminal rental | 83,505 | 92,947 |
| Other deductions | 230,327 | 234,654 |
| Bond interest | 2,905,151 | 2,874,614 |
| Net deficit | 3,874,359 | 3,196,966 |

## Remington-Rand Sales Showing Improvement

A tapering off in the rate of decline of sales for Remington Rand, Inc., has been noticed recently, according to J. H. Rand, Jr., president, in a statement made at the recent annual meeting. Mr. Rand believes that the company's fall business will be satisfactory.

In the first seven days of July, domestic orders booked were 2½% ahead of the same 1937 period, first time this year that U. S. sales have exceeded a year ago. New products introduced by the company, such as the electric shaver and others, have been a factor in the better sales volume recently. Profits from the electric shaver were more than $400,000 in the four months to Jan. 31. A new low priced typewriter with simplified keyboards has been developed for sale to children in grade schools. Made possible by the mass production methods of the company's new Elmira, N.Y., plant, these typewriters will retail from $9.95 to $19.95.

## Estimated Profit Up at Matachewan

In the quarter ended June 30, 1938, Matachewan Consolidated Mines made estimated total profit of $40,643, before deductions. This compares with estimated total profit of $33,877 in the corresponding period of 1937. Development and operating costs rose from $148,272 in the three months ended June 30, 1937, to $159,938 in the last quarter.

Estimated Earnings
Quarter Ended June 30

| | 1938 | 1937 |
|---|---|---|
| | $ | $ |
| Net income, metal prod. | 200,138 | 181,447 |
| Less: Dev. & oper. costs | 159,938 | 148,272 |
| Estd. oper. profit | 40,200 | 33,175 |
| Add: Non-oper. revenue | 443 | 702 |
| *Estimated total profit | 40,643 | 33,877 |

*In above figures, no allowance has been made for taxes, depreciation or deferred development.

# The Nation's Business

(Continued from page 1)

the coming harvest is of but temporary importance. What this country really wants to know is whether wheat growing is to remain a major, permanent and profitable industry.

* * *

### The Way to Get Building Going

DESPITE all the forms which government "assistance" takes, there is no sign yet of a housing or building boom in Canada.

The encouragement to build is lacking. Even existing properties do not draw rents high enough to carry them.

Factors in the situation are "high" costs and wage levels.

But the major factor is high taxation of real estate. This is chiefly the result of Dominion and provincial policies that load upon communities social burdens they have no desire to carry and cannot continue to carry.

The building boom will start when there is clear evidence that taxes are coming down.

More than municipal taxes are involved. The weight of provincial and Dominion taxation is so great that the confidence of enterprisers cannot be inspired.

Reduce governmental expenditures, get taxes down and there will be no need for "assistance" in any form.

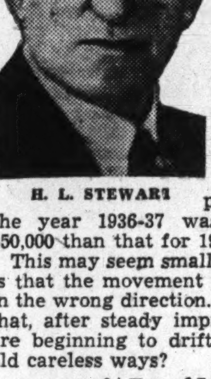
*A Voice from the Maritimes*

# Fire Losses Move Up

## Nova Scotia Surveys Situation as Figures Reach Top in Canada

By HERBERT L. STEWART

Every now and then something either startles us or attracts us into realizing that, although government cannot do very much for our prosperity, it can do a good deal more than it has hitherto done.



H. L. STEWART

The Nova Scotia Fire Prevention Board lately made its report to the Provincial Secretary. This showed that the fire loss in the province for the year 1936-37 was greater by $50,000 than that for 1935-36.

This may seem small but the point is that the movement in fire loss is in the wrong direction. Is it possible that, after steady improvement, we are beginning to drift back to our old careless ways?

### At Top of List

"The last public report of fire losses in Canada," says the Chairman of the Fire Prevention Board, "shows that in 1936 the loss per capita in Nova Scotia was higher than that of each of the other eight provinces." Is there any assignable reason for this? Or must we be content with the reflection that "after all, some province has to have the worst record"?

The total fire loss to buildings in Nova Scotia during 1936-37 was $1,347,094, and the number of fires reported was the highest on record—higher by 418 than that shown for the previous year. Enquiry into causes disclosed the usual "three quarters" as due to sheer negligence, and it is hinted that before very long it may be needful, in the interest of careful people whom the careless thus victimize, to forbid payment of insurance where fire can be proved the owner's own fault.

Under the heading of "negligence" may surely be brought those cases due to the incompetent wiring of houses, by men with no technical qualifications for such a task, but employed because they are "cheaper." This hazard with electricity, says the report, is growing more serious every year. The obvious remedy is in a licensing system and reliable inspection all through the province.

It is safe to guess that this would evoke in some quarters a protest. But wherein would it differ from the interference which stops a family with smallpox or scarlet fever from "free" diffusion of the bacillus?

### The Tourist Business

Another sphere of government meddling, one which as promoting good and not merely restraining ill is likely to have wider approval, is the tourist business. Some five years ago a great step forward was taken.

The Canadian Travel Bureau was not merely a new scheme on a great scale for stimulating the public revenue by trade with our foreign visitors: it was likewise a project to deepen international friendliness. Not only the favorable Canadian trade balance last year of $173,000,000 on the tourist item, but also the moral result through the visit of 18,000,000 people from abroad to this Dominion must be taken into joyful account.

Certainly not least in the Maritimes, where the example set by the State of Maine is showing to New Brunswick, to Nova Scotia and to Prince Edward Island what may be done in this direction, does the challenge make itself felt. The three governments concerned have at length cast aside the inhibiting, discouraging prejudices of an earlier period, and have applied to the enterprise of building roads, which in time will pay for themselves through increase of traffic, that same financial audacity which elsewhere ventures untold sums of the sheer benevolence of a "dole."

### Trying New Things

In both respects which I have named, both in the guardianship against public risks and in the furtherance of public advantage, governments in this eastern part of Canada have shown of late a readiness to try new things such as their predecessors would have contemplated with misgiving and indeed with alarm.

Looking back on the days when in Nova Scotia an annual loss by fire of about $3,500,000 was contemplated if not with composure, at least with sluggish unwillingness to adopt any drastic method of reform, we can feel with a glow of satisfaction that the annual loss is now much less than one half of what it was. But it is still too high, and the latest announcement that it has begun to increase again should send us back with redoubled vigilance to our precautionary measures.

In like manner the success which has so far attended the drive for more tourists should be an incitement to still greater effort.

## Stock Exchange Manual Sees New Force in West

In the foreword in the Vancouver Stock Exchange Manual, just issued, attention is drawn to the progress in western Canada in the past year. It says:

"There is reason to hope that with greatly improved agricultural production, a rapidly expanding oil industry and new gold mines of importance being opened, western Canada will once more be the force which for decades prior to 1929 carried Canada toward a progressively higher economic status."

Although the Vancouver Stock Exchange has subsequently experienced slackened trading as have other exchanges on the continent, the figures show that in 1937 the volume and value of trading was at the highest level since 1929. The number of shares dealt in in 1937 was 120,699,623 and the value $33,497,284.

Considerable attention is paid to the western Canada oil industry and the pressure of new production is said to be the most powerful factor tending to a solution of the marketing problem.

The manual contains a list of the officers and members of the Exchange, officials, scale of commissions charged and a list of transfer offices of the companies covered. The Manual is not sold either by the Exchange or its members but is distributed without charge by the latter.

## Salmon Catch Improves In B. C. Over Last Year

From Our Own Correspondent

VANCOUVER.—Although United States packers on the Pacific coast faced the present season with a large carryover, the British Columbia salmon canners managed to sweep their shelves pretty clean of last year's pack. They are in a relatively good position, so far as inventory is concerned, as the new season begins.

The catch of salmon has shown a considerable increase over last year, the pack to date being 72,324 cases, compared wiith 48,325 for the corresponding period in 1937. The 1936 figure, however, was 120,529.

## Second Quarterly Profit For Beattie Gold Is Up

Estimated profit of Beattie Gold Mines for the quarter to June 30 showed increase of $81,444 over the corresponding period of 1937, according to H. Whittingham, secretary.

The gain was attributed partly to additional tonnage treated (16,500 tons) but to a greater degree to the new roaster plant and the consequent substantial reduction in marketing costs.

Cost of development and other current expenses showed an increase of $41,354.

Recovery of bullion has increased and it is anticipated that somewhat better results will be attained in the near future.

Estimated operating profit for the three months ended June 30, 1938, amounted to $273,699 compared with $192,634 in the corresponding period

Operating Statement
Quarters Ended June 30

| | 1938 | 1937 |
|---|---|---|
| Tons milled | 150,820 | 134,320 |
| Net inc. from metals | $606,488 | $484,070 |
| Devel., oper. & other cur. exps. | 332,789 | 291,436 |
| Estim. oper. profit | 273,699 | 192,634 |
| Non-oper. rev. | 461 | 82 |
| Estim. total profit | 274,160 | 192,716 |

## Works Plan Procedure Outlined in Regulations

Procedure for municipalities under the new Municipal Improvements Assistance Act is outlined in regulations set forth in a recent order-in-council.

Upon approval of the loan by the Dominion Minister of Finance, 25% of the principal amount of the loan may be advanced when the municipality's debentures have been deposited. The rest of the loan may be advanced on progress certificates approved by an officer of the Provincial Government.

The municipality must forward in duplicate an application form to the Provincial Government. When the loan has been approved by this Government, it will be submitted to the Minister of Finance and passed on for approval of the cabinet. An agreement will be then drawn up with the provisions described above.

# Finance Corp. Makes Offer

## Traders Proposes Exchange to Canadian Insurance Shares Ltd.

Shareholders of Canadian Insurance Shares Ltd. have received an offer for exchange of shares from Traders Finance Corp. The basis of exchange, if accepted, is to be three shares of series A 6% cumulative preference stock of Traders Finance for each 10 shares of Canadian Insurance Shares.

The offer is open until Sept. 15, 1938, and The London & Western Trusts Co. is acting as depositary. The offer is conditional upon acceptance by at least 90% of the outstanding shares of Canadian Insurance Shares, although Traders Finance has the option of accepting not less than 75%.

Present outstanding capitalization of Traders Finance is 13,886 series A preference shares of $100 par and callable at $110; 6,574 series B 7% preference, 27,543 class A common, and 30,000 class B common. If accepted by holders of the entire 40,138 shares of Canadian Insurance Shares and the 100 management shares, the offer would require the issue of approximately 12,072 additional series A preference by Traders Finance.

Traders Finance Corp. finances installment sales, its chief source of business being Ford Motor dealers, with 85% of whom it does business. Last year the company earned $26.07 a share on the series A preferred. This was after deduction of the non-cumulative interest at the rate of $1 per right on the 13,886 series A and 6,574 series B income funding rights. It is stated that profits for the six months ending June 30, 1938, were in excess of the corresponding period of 1937. The company's surplus amounted to over $1 million at June 30.

Canadian Insurance Shares, which controls Canadian General Insurance Co. and Toronto General Insurance Co., earned $1.14 a share on its common stock in the year ended Feb. 28, 1938, and paid $1 a share in dividends.

It is stated that on the basis of the offer announced, each share of Canadian Insurance Shares would be exchanged for the equivalent of $30 par value of Traders Finance preferred, entitled to $33 a share in the event of redemption. Cumulative dividends on this holding would equal $1.80 a share annually against present payments of $1.

Arthur Meighen, president of Canadian Insurance Shares and also president of Traders Finance Corp., states that the object of the proposal is to "obtain additional capital for Traders Finance Corp.; as well, to place the shareholders of Canadian Insurance Shares in a more secure position as to their capital, and definitely in a better position as to revenue thereon."

## Mining Options

**Bagamac Mines** — Belledith Limited, of Toronto, agree to buy 475,000 shares; two 50,000 share blocks at 20 and 25 cents per share, 100,000 at 32½ cents, four 50,000 share blocks at 35 cents, 37½ cents, 40 cents, and 42½ cents, and 75,000 shares at 50 cents.

**Brownlee Mines (1936) Ltd.**—Optioned to Garfield Trading Co. Ltd. 500,000 shares at 3 cents by agreement July 20, payable 50,000 shares within 60 days and thereafter 50,000 shares a month.

**Canadian Beryllium Mines & Alloys Ltd.**—Optioned to Newmont Securities 200,000 shares at 20 cents by agreement June 21, payable 10,000 shares in July and August, 15,000 shares in September; balance 20,000 shares monthly.

**Chesterville Larder Lake Gold Mining Co.**—Additional 97,300 shares have been taken up at $1.12½ per share under agreements with Collins & Mackinnon and J. Bradley Streit. 686,200 shares remain under option at $1.12½ per share; in order to keep the options in good standing, optionees must take up from time to time such blocks of stocks as may be demanded by the company upon the report of its consulting geologist.

**Granada Gold Mines**—Company to sell on the open market or through firm commitment the 305,749 shares remaining in the treasury.

**Homestead Oil & Gas Ltd.**—To meet certain immediate financial commitments, company has sold 66,000 shares at 20 cents per share to W. R. Salter, vice-president, acting as trustee for himself and Walter E. Hurd, president.

**James Kirkland Mines Ltd.**—G. William Staats, Toronto, agreed July 21 to purchase 1,300,000 shares at prices from 5-75 cents.

**Kelson Red Lake Gold Mines Ltd.**—Has granted George M. Wadds & Co. 60-day extension under agreement July 2, whereby 1,900,000 shares were optioned at from 5 cents to $1 per share.

**MacGregor Porcupine Gold Syndicate**—Under agreement May 23, J. N. S. Dixon has purchased 250 units at $4; 30-day extension is granted him on purchase of 250 units at $4, due July 16.

**Slave Lake Gold Mines**—H. M. Smillie has taken up balance of July 20 installment, covering 25,000 shares at 10 cents. Next installment covers option on 100,000 shares at 10 cents, exercisable by Aug. 4.

**Stewart-Abate Gold Mines**—Granted Mineral Resources Finance Co. 30-day extension under agreement Apr. 19 on option to purchase 40,000 shares at 5 cents, payable July 15, and 30-day extension on further options covering 100,000 shares at prices from 10-50 cents.

**Thomas Ogden Gold Mining Co. Ltd.**—Optioned to the Ogden Mining Syndicate 1,600,000 shares July 9—120,000 shares for $10,000, payable $2,500 July, August, September and October 15, 1938; balance at prices from 10-45 cents per share.

**West Turner Petroleums**—Shareholders approved grant to Ross Whittall Limited a 3% gross royalty in production from the No. 2 well and a 2% gross royalty in production from the No. 4 well, in consideration of the services of the firm and its members in making loans to the company, guaranteeing the company's accounts, acting on the management committee.

### Plan Consolidation

Consolidation of some 3,400 acres of mining claims near Waite Amulet into a single property will be considered at a meeting in Toronto late this week. Claims involved include holdings of Newbec and Gilbec and the 2,100 acres recently acquired by Lloyd Lott and associates in which New Ribago holds a half interest.

## NOTICE

NOTICE is hereby given that the Dominion Insurance Department has granted Certificate of Registry No. C-627 authorizing American Exchange Underwriters to transact in Canada the business of falling aircraft, hail, limited or inherent explosion, civil commotion, tornado insurance and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

V. W. GERRISH,
Chief Agent for Canada.

July 26, 1938.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## New Books . . . .

### World Statistics

STATISTICAL YEAR BOOK OF THE LEAGUE OF NATIONS. Published by the League of Nations Society of Canada, Toronto, price $2.50, cloth $3.50.

The most important and comprehensive statistics concerning world population, labor, production, trade, transport and finance are included in this new issue. Notes and index help the reader to locate material desired quickly and easily.

A new section contains latest information regarding population. This shows that while mortality generally has been reduced in civilized countries, trend of population is either slowing down or actually declining, because proportion of old age groups is tending to increase that of younger groups decreasing. In England, for instance, it is pointed out that children under 10 were over one fifth the population in 1911, but only one seventh in 1936, whereas people over 50 were less than one sixth in 1911 and nearly one quarter of the population in 1936.

Statistics are given showing that State expenditure and public debt have increased in practically every country, gold production has doubled in the last 10 years, air traffic has increased four times between 1931 and 1936, and production of foodstuffs and raw material has increased by nearly 6%.

### Planning It That Way

THE MIDDLE WAY. By Harold Macmillan, M.P. Published by the Macmillan Company of Canada, Toronto. Price $1.65.

In England, Harold Macmillan, M.P., fills a role which William D. Herridge essays to play in Canada. He says that there is no longer such a thing as true "laissez faire," or an elastic system of competition. Having introduced so many rigidities into our economic system, we have to go farther and find a way to make our half-socialist, half-capitalist system work. The technique, he thinks, must be some form of state social and economic planning.

The analogy between Mr. Macmillan and Mr. Herridge must not be carried too far. Mr. Macmillan is a businessman. He has a logical mind. He reasons things out. He does not content himself with alarmist generalities.

His newest study of the role of the state in modern social life is "The Middle Way," which has drawn extensive comment in Britain. The jacket of the volume depicts the middle way as a straight road between Fascism and Communism. It is too facile a description of planning under Democracy to be accurate but it conveys a rough idea of Mr. Macmillan's thesis.

There are social evils to be rooted out; social evils that are related to booms and crises, to insecurity among workers, and to the inadequate standard of living of large masses of people. The state, by exercising greater authority over industry, labor, investment and trade, can remove these social and economic inequalities, thinks Mr. Macmillan, who presents a programme, based upon British domestic needs, for the exercise of such authority.

There is much enthusiasm today for planning as envisaged by Mr. Macmillan. His speeches in Canada, when he has been out here on business for the Macmillan Company (publishers of this volume), have been favorably received by many. His writings stimulate the imagination. But more than imagination is needed. The volume does not down scepticism completely. It is too perfect a system that Mr. Macmillan has planned to replace the present most imperfect one. Being able to see a problem clearly is no guarantee of being able to devise a remedy with equal simplicity. Planning by the politicians is not going to work as well as this brilliant M.P.-publisher hopes.

Didn't Mr. Roosevelt say (just before the last depression), "We planned it that way"?

## Dominion Textile Co. Reopens Quebec Mill

From Our Own Correspondent

MONTREAL. — Dominion Textile Co. has reopened its mill at St. Gregoire de Montmorency.

In announcing reopening of the plant, G. Blair Gordon, managing director, stated directors have decided on certain changes in the company's operating policy with respect to the plant.

During recent years it has been the policy of the company to make every endeavor to furnish employment for as many men as possible of the communities adjacent to the mill, many of whom have lost their jobs in other industries. As a result, it has been impossible during certain periods to operate full time. Mr. Gordon claims this has been taken advantage of by agitators.

In future, the company's policy will be to operate the mill in such a way as to give the maximum full time employment to the company's regular employees.

## Insulating Board Shipments Decline

From Our Own Correspondent

MONTREAL.—Domestic shipments of rigid insulating board, as reported by the Dominion Bureau of Statistics, indicate sales of this product are being fairly well maintained. In the first six months of the year domestic shipments totalled 22,765,469 square feet compared with 23,018,026 square feet in the same period last year.

Shipments of panel board in the first half of the year increased 1,301,204 square feet to 17,911,227 square feet and roof boards by 40,328 square feet to 1,262,712 square feet. Shipments of plaster baseboards at 1,885,228 square feet were down 1,103,810 square feet. Shipments of miscellaneous boards dropped 490,239 square feet to 1,706,302 square feet.

For the month of June, total shipments were only slightly below the same month for last year, amounting to 4,931,292 square feet. This compares with 4,965,953 square feet in June, 1937.

### New Director

MONTREAL.—H. J. Kelley, Sydney, N.S., has been elected director of the General Trust & Executor Corp., of Halifax. Mr. Kelley is first vice-president and general manager of Dominion Steel & Coal Corp.

**Winoga Patricia Gold Mines** asks shareholders to send certificates to Chartered Trust & Executor Co. for exchange into new Winoga shares on basis of eight new for ten old shares, and in addition one share of Albany River Gold Mines for each ten old.


Notice to Holders of TOWN OF

# MIDLAND DEBENTURES

**A plan for refunding the debenture debt of the Town of Midland has been approved by the Council of the Town of Midland, the Council of the County of Simcoe, the Midland Debenture Holders' Committee and the Department of Municipal Affairs. Full details are set out in a circular to Debenture Holders, a copy of which may be obtained from:**

W. F. McILROY, Secretary, Midland Debenture Holders' Committee, 302 Bay Street, Toronto;
Department of Municipal Affairs, Parliament Buildings, Toronto;
R. S. KING, Clerk and Treasurer, Town of Midland.

(Signed) W. F. McILROY,
Secretary, Midland Debenture Holders' Committee.


# Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

| Municipal— | Date Issued | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| La Salle School Corp. | July | L. G. Beaubien & Co. | 4% | 1939-48 | $208,200 | 99.29 | ..... |

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

| Bond Issues— | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Preston East Dome Mines | June | Milner, Ross & Co. | 6% | 1943 | $700,000 | 97.50 | ..... |

(With bonus of 75 shares of common stock with each $1,000 bond.)

# London Calling

by Atticus

LORD LINLITHGOW

## Tweedsmuir Planning Interesting Development But Details Remain Secret Until Next Year

LONDON.—There has been, to use a word beloved of diplomats, a certain "deterioration" in the quality of events during the last week. The drama has taken on the aspect of pantomime with more than a touch of the ballet.

It started with the absurdity of the weather which did not allow even an hour's play in the last Test Match. Stimulated by this example of a sit-down strike, the House of Commons became so obsessed with itself as a subject of debate that the nation's affairs had to wait. Mr. Speaker must have filled more space in Hansard last week than in any previous month in adjudicating on procedure and points of order. Not only did the House determine to debate its own privileges, but discussed for nearly an hour the manner in which the debate would take place.

Throughout the week, Honorable and Right Honorable members could be seen leaving the chamber to make their way upstairs to be examined and re-examined by the Select Committee enquiring into "l'affaire Sandys." In our ignorance many of us have marvelled at the many sidedness of truth which necessitates a Secretary of State or a private member being examined for hours. Perhaps it is the fault of the tribunal itself which has failed to emulate the directness of the judge in the Landru trial who opened the case with, "Tell the Court, Landru, how you killed your wives." Naturally everything that goes on is absolutely secret and therefore I dismiss as mere hearsay the rumor that when Mr. Duncan Sandys appeared before the committee he was asked: "When did you last see your father-in-law?" (Rt. Hon. Winston Churchill.)

In such a week it was inevitable that those twin chroniclers of lighter London — Mr. Frederick Lonsdale and Mr. Michael Arlen— should turn up. One almost expected them to respond to the cry of "author!"

Finally there was the reception at the India Office on Thursday night in honor of the Viceroy and Lady Linlithgow, which brought back the days when life moved with a stately tread and the jungle was silent when the British Lion passed by.

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### *The Reception*

While the list of guests at the India Office reception was comprehensive, there was no uncomfortable crush. Of course, the vast floor space with the surrounding galleries make it an ideal stage for pageantry. In fact there is a suggestion of Imperial Rome in the magnificence of it all. I know of no other setting in London where the power and majesty of a great nation find such expression. I must not indulge in mere gossip of personalities, but it was interesting to see the sense of familiarity with which Sir Samuel Hoare threaded his way about the place. One is almost inclined to forget that he was at the India Office for five years before venturing on the less reliable ice of foreign affairs. There was Sir John Simon, too, with whom I had dined earlier in the evening, appearing in the dual rôle of Chancellor of the Exchequer and author of the Simon Report. Lord Willingdon as a former viceroy mingled with the guests with that nice touch of semi-proprietorship like one who finds himself visiting a house which he once owned. As for generals and diplomats they were everywhere, while their wives were adorned with jewellery that had that strangely honest faded effect of the real thing.

Lord Linlithgow has a most attractive personality. He is slim, tall and interested in people and things. Perhaps the possession of five children, including twin sons, keeps one alert.

Although the Viceroy is only fifty, his experience of public affairs is wide. His interests have ranged from medical research to meat marketing, from science and technology to banking and soldiering. For a short time he was civil Lord of the Admiralty and on giving it up became deputy chairman of the Conservative party. Like Mr. Malcolm MacDonald he has a rare knowledge of birds and prefers studying to killing them. He has had many difficulties to surmount in India but his quick sympathy and human touch have done much to smooth his path. Even Pandit Jewaharlal Nehru, the leader of the Congress party, speaks no ill of him.

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### *A Complex Personality*

There must be times when Pandit Jawaharlal Nehru asks himself what he really is. In ordinary conversation and even in his speeches there is none of the flamboyancy of the revolutionary. His complexion is light, his eyes tired with heavy shadows beneath them. When I met him last week he was wearing a light blue suit which emphasized his affinity with western customs. One feels that he must owe something of his political success to the invention of the microphone, for his voice is soft and mellow. It would be hard to imagine his speeches or his personality rousing the masses to enthusiasm. As a boy he went to Harrow and later to Oxford. Those years have left their mark on him. Even in his determination to discredit all things British he carries himself as one who has lived in England and come under her spell. That is perhaps why he gives a suggestion of conscious superiority over his fellow Indians while dedicating his life to their so-called liberation.

Nehru is not one of those men who permits himself the indulgence of seeing both sides of a case. Or if he does he refuses to give them voice. No doubt he has come to believe that inflections are worthless in rousing mass hysteria. Possibly the example of various western nations has strengthened his belief. Therefore he reduces his political gospel to this formula:

Everything the Congress party desires for India is good.

Everything the British Government desires for India is bad.

There is no communal question. It is only a matter of being able to supply government jobs.

Nothing but freedom is important, neither race, nor caste, nor religion. India desires the Congress party to lead it to that freedom.

Nehru told us that Fascism had endeavored to secure support in India but had failed. On the other hand the Russian experiment had roused interest and respect. It was probable, he said, that when India was finally independent she would plan her economy on the Russian basis. So he went on for nearly an hour with the half-weary willingness of a Rachmaninoff asked to play his hackneyed prelude. It was all so familiar to the Congress leader, so easy, so lacking in difficulties, so unexciting. Even those in sympathy with his outlook were not stirred. There was none of the color nor the unexpectedness of Gandhi. One felt that when Nehru was released from prison, where he was sentenced for sedition, he must have left his cell with the same deliberate steps as he entered.

Later I asked him a question. "In making your case in India do you ever give Britain credit for any good which inadvertently she may have done for India?" He smiled and considered the matter for a moment. "No," he said. Then he smiled again. At least it was honesty of a sort.

That night I searched in my library until I found his autobiography written a couple of years ago. In it I found these words:

"I have become a queer mixture of the East and West, out of place everywhere, at home nowhere. Perhaps my thoughts and approach to life are more akin to what is called western than eastern but India clings to me, as she does to all her children, in innumerable ways: and behind me lie, somewhere in the subconscious, racial memories of a hundred, or whatever the number may be, generations of Brahmins.

"I cannot get rid of either that past of mine or my recent acquisitions. They are both part of me."

In that passage the Congress leader expresses the inner conflict which he endeavors to hide but which is so evident when one talks with him.

LORD TWEEDSMUIR

### *Lord Tweedsmuir*

It was good to find that Lord Tweedsmuir, on holiday from Canada, had half an hour free and we were able to exchange impressions of the new world and the old. He is still the spare, lean figure that we knew as John Buchan but his mind has lost none of its liveliness under the burden of officialdom and formality. In fact authority has given him rather more incisiveness than he used to have. Where once he attended Parliament as a private member he now summons and prorogues Parliaments. Although the confidant and companion of ministers of the Crown in former days he now summons ministers to his presence. Lord Tweedsmuir is too staunch an Imperialist to underestimate the dignity of being the King's representative in our premier Dominion, but the spirit of John Buchan the novelist keeps an appreciative eye on the oddities of human nature and no doubt regales the Governor-General with its observations when privacy draws the curtain and they are alone.

Lord Tweedsmuir had intended a short visit only and was to sail for Canada early in August but I gather that the King's illness has necessitated a change in his plans and that he will be here until September. Incidentally he is hoping to bring about something next year which will be of immense interest to Canada, the United States and ourselves —and it has nothing to do with trade. Beyond that I cannot go at the moment.

It was impossible to avoid the query as to how he felt on finding himself back once more on the soil of the Old Country. "My dear Atticus," he said, "I am able to withstand the meadows, the winding roads, and even the first glimpse of the Thames, but when I went to the House of Commons and smelt the stones I felt the most desperate tug at my heart."

Then he paid a great tribute to Mr. Kennedy, the American Ambassador, and reluctantly I returned to Westminster to the smell of the stones, the drone of the debates, the discussion of privileges and the contemplation of history in the making.

# Shawinigan Income Down

## Net Before Depreciation and Income Taxes Drops $194,660

From Our Own Correspondent

MONTREAL.—Earnings of Shawinigan Water and Power Co. recorded a greater decline in the three months ended June 30, than in the first quarter of the year. Operating revenues for the quarter declined by $315,404. However, expenses and fixed charges were also lower, so that surplus available for depreciation, income taxes and dividends declined only $163,700 to $922,661.

Comparative revenue and expense figures for the second quarter of 1938 and 1937 follow:

**Three Months Ended June 30**

| | 1938 $ | 1937 $ |
|---|---|---|
| Gross revenue | 3,386,902 | 3,702,309 |
| Less expenses: | | |
| Gen. oper., etc. | 793,937 | 829,127 |
| Power purchased | 391,770 | 448,061 |
| Water rentals | 125,036 | 108,745 |
| Taxes & insurance | 198,062 | 244,167 |
| Reserve for exch. | 6,000 | 6,000 |
| Net oper. revenue | 1,872,097 | 2,084,209 |
| Less: Fixed charges | 949,436 | 958,064 |
| Bond discount | ...... | 39,784 |
| Surplus before deprec. & income taxes | 922,661 | 1,086,361 |

**Revenue Down $400,000**

For the first six months of the year surplus available for depreciation, income taxes and dividends amounts to $2,008,301, a decline of $94,660. Gross revenue for the six months was down $401,205. At the same time general expenses show a decline of $209,674 and fixed charges and amortization of bond expense are down $96,871. No provision is made for amortization of bond discount, as this has been written off against a reduction in the book value of the common stock. In the first half of last year $79,569 was provided for amortization.

Several factors contributed to the lower earnings in the first half of the year. Power sales were down, largely as a result of the reduced activity in the newsprint industry.

**Revenue and Expenses Six Months Ended June 30**

| | 1938 $ | 1937 $ |
|---|---|---|
| Gross revenue | 6,996,197 | 7,397,402 |
| Less expenses: | | |
| Gen. oper. exp. | 1,567,473 | 1,628,370 |
| Power purchased | 806,839 | 876,560 |
| Water rentals | 247,782 | 217,061 |
| Taxes & insurance | 454,929 | 464,704 |
| Reserve for exch. | 12,000 | 12,000 |
| Net oper. revenue | 3,907,174 | 4,198,705 |
| Less: Fixed charges | 1,898,873 | 1,916,175 |
| Bond disct., etc. | ...... | 79,569 |
| Surplus before deprec. & income taxes | 2,008,301 | 2,202,961 |

# Rogers Meeting Is Adjourned

## Suggest Giving Class A Shareholders Voting Power

Shareholders of Rogers-Majestic Corp. will meet again on August 4 to finish the business of the adjourned annual meeting. When the meeting was convened on July 21, opposition was voiced to certain policies of the directors with particular reference to failure to pay a dividend and the allegedly high salaries and fees being paid to officers and directors.

On the suggestion of Loftus A. Allen, C.A., of Toronto, the meeting was adjourned to give the directors an opportunity of discussing with representatives of class A shareholders some means of giving holders of the non-voting class A shares a voice in the management. Mr. Allen stated his belief that the company's interests would be best served and shareholder goodwill greatly strengthened, if holders of class A shares were to be given a vote.

E. S. Rogers, president of the company, promised to "co-operate to the fullest possible extent to work out a solution."

At the present time capitalization of Rogers-Majestic includes 200,000 class A shares and 15,000 class B shares. Chief difference between the two classes of stock is that class A shares are non-voting, leaving control of the company to holders of the class B voting shares.

**Ask Statement of Fees**

At the July 21 meeting a motion to have issued to shareholders a comparative statement of all moneys paid to directors over the past three years as remuneration, whether in the form of fees, royalties, salaries or expense allowances, was placed before the meeting by W. H. Carruthers, Toronto. This motion was held over pending the outcome of negotiations mentioned. Discussion of the motion brought from D. I. McLeod, Toronto, a director representing the original distributors of the class A shares, a statement showing that additions to the board during the past three years made a straight comparison of figures published with the annual reports misleading. The three additional directors were all salaried officials of the company and their appointment as directors changed their salaries from the group of non-reported salaries to those which the Companies Act required to be published. Making adjustments for these changes, Mr. McLeod said that remuneration would have been $89,174 in 1938, $73,704 in 1937 and $53,110 in 1935. This compares with figures as contained in the corresponding annual reports of $89,174, $66,654 and $33,710 respectively. No fees have been paid to non-executive directors for the past four years.

Shareholders of Rogers-Majestic had been circularized by F. H. Deacon & Co. and Dickson, Jolliffe & Co. prior to the meeting in the interests of their clients holding stock. This group claimed to represent 70,000 class A shares and to have received 175 replies to their letter.

**End of Loan Guarantee**

E. S. Rogers, president, told shareholders that the improved financial position of the company made it no longer necessary for himself and his brother to make a personal guarantee of the company's bank loans, as they had been doing for the past four years. Extensive bank borrowing is necessary in the summer and early fall months to take care of peak manufacturing requirements for the ensuing year.

**Naybob Gold Mines** reports that the first brick poured from 26 days of experimental sampling with an 18-ton mill unit weighed 688 oz., worth about $24,000. It is estimated that an equal amount is tied up in the mill circuit. Naybob has ordered a 150-ton mill, capacity of the crushing plant to be 500 tons daily.

**Denison Nickel** is taking its shaft to 1,000 feet to open three levels, officials state. The shaft is now at 522 feet. Some 2,684 feet of drifting and crosscutting and 1,672 feet of diamond drilling have been completed. Expansion of operations appears justified from results to date, the company declares. Mill plans will likely be considered when the shaft is completed.

THIRTY JOBS IN ONE

YOUR executor must of necessity be qualified to do a multitude of things. For there are some thirty odd duties to be performed between the probate of your will and the settlement of your estate.

You will, of course, want your executor to be well versed in all phases of estate procedure, in practice as well as in theory. The officers of this institution will be glad to tell you how our years of experience in such matters have fitted us for the executorship of your estate.

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# Dom. Square Co. May Reorganize

## Earnings Increased in Fiscal Year Ended April 30

From Our Own Correspondent

MONTREAL.—Steps will probably be taken in the near future to reorganize Dominion Square Corp., which owns and operates the Dominion Square Bldg., Montreal.

Andrew Fleming, chairman of the bondholders protective committee, in a statement accompanying the annual report, states the committee has been exploring a reorganization under the Companies' Creditors Arrangement Act. With this in view, it has held conferences with representatives of the board of directors. Negotiations are proceeding and the committee hopes it will be possible to arrive at a plan which will be equitable to all concerned.

Earnings of the company improved last year, but the committee believes conditions for some years to come will be such that the Dominion Square Corp. is not likely to earn more than part of its first mortgage interest requirements. Since arrears of interest would increase annually committee believes steps should now be taken to reorganize the company.

While bondholders can bring about a forced sale of the property, the committee does not feel this is desirable. There are two objections to such a procedure. In the first place, the cost of foreclosure proceedings in Quebec is high. Secondly, reorganization through foreclosure would probably necessitate a prior lien being placed on the property.

**Earnings Higher**

For the year ended April 30, 1938, Dominion Square Corp. reports improvement in earnings. This was due to expansion in operating income and to lower operating expenses and taxes. Net earnings available for bond interest, before depreciation, amounted to $193,072, as compared with $153,870 in the previous year. First mortgage interest requirements amount to $281,400 annually, so that there was a deficiency before depreciation of $88,328.

Comparative income accounts for the years ended April 30, 1938, and 1937, are shown below.

**Income Account Years Ended April 30**

| | 1938 $ | 1937 $ |
|---|---|---|
| Oper. income | $448,565 | 418,700 |
| Less: Oper. expenses | 132,820 | 138,035 |
| Taxes | 124,416 | 127,622 |
| Oper. profit | 191,329 | 153,042 |
| Add: Interest earned | 1,743 | 827 |
| Net earnings | 193,072 | 153,870 |
| Less: Bond interest | 281,400 | 281,400 |
| Loss before deprec. | 88,328 | 127,530 |

# National Breweries Maintains Sales

MONTREAL.—Sales of National Breweries during the first half of the current year were at about the same level as in the same period of 1937.

Earnings also compare favorably with last year. Costs are said to be somewhat higher as a result of provisions of the Quebec Fair Wage Act. The level of wages established by the Fair Wage Act does not affect the company as its wage rates are above the minimum. However, working time has been reduced to 48 hours a week. Previously some employees worked more hours a week during the summer rush.

As regards costs of raw materials the situation is more favorable than a year ago. Last year, the price of malt advanced to a point where it had an adverse effect on earnings.

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SIMPSON'S AUGUST SALE of FURNITURE starts Thursday!

Savings range from 12.5% to 26.5% — averaging 19.7%! With furniture prices stiffening— NOW'S THE TIME TO BUY!

Again, SIMPSON'S August Sale is ready for you, and we predict that thousands of people from all over Ontario will save on quality furniture in this event, as thousands have saved in past August Sales at this Store.

If you're interested in the really good type of furniture that is always associated with the SIMPSON name . . . if you want furniture of sound construction . . . if very generous savings mean anything to you . . . then you'll surely compare SIMPSON values before you invest a single dollar in new furniture for your home.

The savings actually range from 12.5% to 26.5% . . . with an AVERAGE SAVING OVER THE WHOLE OF 19.7%. We want to emphasize this, too: The definite recession in the furniture business in the United States brought about low prices in raw materials . . . which SIMPSON'S was buying. So, SIMPSON'S August Sale brings you furniture made from raw materials purchased at those low prices — and just as markets now are showing a definite improvement and higher raw material prices are forecast.

NO DOWN PAYMENT REQUIRED ON SPECIAL HOME LOVERS CLUB TERMS

10 Months to Pay on home furnishing purchases of $15 or more.

20 Months to Pay on home furnishing purchases of $50 or more.

30 Months to Pay on home furnishing purchases of $100 or more.

First payment begins one month after date of purchase, with service charge added.

Simpson's

FURNITURE FLOOR — THE FIFTH

## Investment Trends

# Markets Confirm Moves Toward Higher Levels

### While a Reaction is Considered Overdue Possibility Remains That Rapid Recovery Move is on Its Way—Retail Trade Well Maintained

In London, recent announcement of the reduction in the Courtaulds dividend was sufficient to give stock markets in that country a shock and result in fairly heavy selling. Particularly vulnerable have been the rails in Britain and the index for this group has hit new low levels.

In New York news such as that of Government action against the motion picture industry caused a few days of unsettlement but the Dow-Jones industrial stock average ended the week at new high levels for the current recovery move.

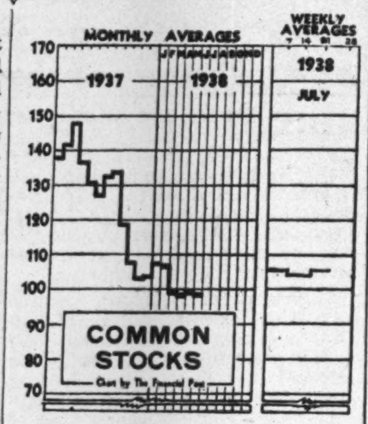
In both Montreal and Toronto industrial stocks have been fairly steadily moving into new high ground. At 88.2 for the close on Monday the Montreal industrial average was up 27.1 points from the 1938 low. The 126.85 level reached for the Toronto industrial average also worked this index into new high ground and left it up 29.19 points.

Business indices are beginning to show increases in Canada and the United States, although it does appear that the stock markets have pretty well discounted the improvement that is likely to take place over the next few weeks.

Nothing has happened in the past week to alter the generally accepted opinion that stock markets are well into a period of higher prices. But the reaction which would seem normal has not yet arrived. While improvement may prove to be so strong as to prevent any such corrective move, confidence in present price levels would be stronger if the market once demonstrated its ability to regain its position after a test of support available to lower levels.

*Reversal May Be Abrupt*

The depressed period of the past year had its origin in the United States. It developed with unusual rapidity and the decline was extremely rapid. But there are grounds for believing that the recovery move will be almost equally swift. It is true that there may be this difference in that the rising security prices of two years ago were supported by improving conditions in Canada's two major outside markets—Great Britain and the United States. It is just possible that the next recovery will find Great Britain somewhat slower and that in place of having a stimulus from two outside sources, Canada may have to depend largely on the United States and domestic business. Of these, apparently the most dependable will be the improvement in this country.




*Industrial Review*

Against the balancing background of a favorable harvest, the Bank of Montreal compares the reaction upon industries in Canada and conditions prevailing in the United States. As a result, a marked drop in the export of products to that country and curtailed activity in manufacturing, particularly in newspaper, textiles and automobiles, is noted. Retail sales value in June was 3% lower than in the same months of 1937, but retail trade is being well maintained generally. Exports of copper, nickel and zinc showed a sharp drop in June, although general activity in the mining industry has not lessened.

Other industries coming in for specific mention include primary iron and steel which have continued their output on a satisfactory scale, according to the bank. Curtailed production of farm implement manufacturers results from present adequate inventories in spite of higher sales. Heavy and light engineering plants continue active with the immediate outlook satisfactory, but a seasonal restriction is noted in the automobile and car manufacturing industry.

*Down Trend Ended?*

"We conclude that there is good probability that main downtrend in general business activity and common stock prices has ended," says E. W. Axe, in The Annalist. Mr. Axe is not quite so certain that a major improvement is setting in at the present time. He points to the frequency that a temporary recovery has occurred following a depressed period of business with a relapse to depression levels following again. "From an investment standpoint, however," says Mr. Axe, "the feature of greatest importance in the present situation is the probability that the next broad movement in business and common stock prices . . . is likely to be strongly upward."

Mr. Axe feels that over the next few months, political, labor and international developments are likely to have an unusual degree of influence upon the course of business and the financial markets. He is watching the outcome of the November elections in the United States and, failing a shift toward more conservative policies, feels that the situation will probably become still more difficult for the investor. He admits the possibility that the world is entering a period of inflation but is inclined to feel that the chance of a general European war developing is less than is often mentioned.

Mr. Axe finds a recovery period has usually been preceded by the upturn in wholesale commodity prices and industrial raw material prices; decline in commercial loans; improvement in bond prices; declining inventories of manufacturers and distributors; an extremely pessimistic view of business and financial sentiment; a tendency for common stock prices to recover after falling to low levels. All of these matters, Mr. Axe feels, support the idea that recovery is likely to continue.

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*Money Made Market*

The huge surplus of funds seeking investment has been an important factor in the recent rise of the stock market, according to the Mid-Week Review of Jones Heward & Co., Montreal investment firm. It states, in part, as follows:

"To understand the present stock market, a comparison may be made with the bond market. During the past few years investors have paid peak prices for many provincial and municipal bonds while the financial standing of such bodies was less satisfactory than when their obligations were selling many points lower a decade or so ago.

"Today's markets are not a reflection of current business or even of tangible business prospects. They mirror the widespread feeling that business conditions will not become worse and that money should be employed regardless of wages. Such a belief may be shattered by any one of several factors but, in the meantime, there is nothing in the air which would seem to justify an early flight back into cash.

"Since 1929 there has been an increase in the supply of Government bonds but it has not been sufficient to meet the investment demand. During the last ten years, however, the supply of available equity investments has actually dwindled. Today there is a serious deficiency of suitable investments. Those who own securities are not inclined to sell them until other fields of employment open-up for their money. Consequently, stock prices will continue apparently "out-of-line" as long as a reasonable amount of confidence in the future is maintained, regardless of current earnings."

## Public Utility Earnings

**Brazilian Traction**

| June: | 1938 $ | 1937 $ | Increase $ |
|---|---|---|---|
| Gross earn. | 3,227,488 | 3,479,576 | *252,088 |
| Oper. exps. | 1,491,064 | 1,496,740 | *5,676 |
| Net earn.† | 1,736,424 | 1,982,836 | *246,412 |
| **Six Mos. end. June 30:** | | | |
| Gross earn. | 18,473,125 | 18,534,605 | *61,480 |
| Oper. exps. | 8,707,698 | 8,381,107 | 326,591 |
| Net earn. | 9,765,427 | 10,153,498 | *388,071 |

†The decrease in net earnings for the month as compared with the corresponding months of last year is more than accounted for by the decline in the exchange rate.

*Decrease.

## Mexico Purchases German Newsprint

From Our Own Correspondent

MONTREAL.—Germany has sold 25,000 tons of newsprint to Mexico on an exchange basis. In return for the newsprint Germany gets 500,000 barrels of oil.

Mexico has taken some Canadian newsprint in recent years, but has never been an important customer. This year no sales of newsprint to Mexico have been made by Canadian mills.

INVESTMENT SECURITIES

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# Wpg. Electric Earnings Drop

### Expenses Are Lower But Revenues Are Also Down

From Our Own Correspondent

MONTREAL.—Net earnings of Winnipeg Electric Co. in the first six months of the current year were almost $70,000 lower than in same period last year, amounting to $1,406,467.

This reduction is entirely due to a drop in revenues. Gross earnings for the period declined $126,923, but this was partly offset by a decrease of $56,938 in operating expenses and taxes. The decrease in expenses was achieved despite an increase in wages granted late last year.

The decline in gross earnings is accounted for by the loss of revenue through expiration of the Winnipeg Hydro contract on Sept. 1 last.

**May Not Earn Interest**

If the present trend continues, Winnipeg Electric may not earn the 4% income interest on its Series B general mortgage bonds. In 1937 net income available for interest on the Series B bonds was $372,391, whereas interest requirements totalled $341,002.

There can, of course, be a reversal of trend in the last half of the year, especially as power is now being delivered to the Minnesota & Ontario Paper Co. at Kenora, Ont. Furthermore, prospects for improved demand for power in the last part of the year is regarded as favorable in view of better crop prospects in western Canada.

**Statement of Earnings**
**Month of June**

| | 1938 $ | 1937 $ |
|---|---|---|
| Gross earnings | 509,271 | 521,073 |
| Less: Oper. exp. & tax. | 314,578 | 322,461 |
| Net earnings | 194,692 | 198,611 |
| **Six Months Ended June 30** | | |
| Gross earnings | 3,336,771 | 3,463,694 |
| Less: Oper. exp. & tax. | 1,934,304 | 1,991,242 |
| Net earnings | 1,402,467 | 1,472,452 |

## Three New Directors For Aircraft Firms

From Our Own Correspondent

MONTREAL.—Three new directors have been added to the board of directors of Canadian Wright Ltd. and British Aeroplane Engines Ltd.

They are G. MacGregor Mitchell, president of G. P. Mitchell & Sons, Halifax, and a director of the Royal Bank and Foundation Co.; W. G. MacKenzie, president B. C. Bridge & Dredge Co. and MacKenzie, White and Dunsmuir; and Col. J. P. Mackenzie, managing director of the Western Bridge Co.

Canadian Wright Ltd. is exclusive representative in Canada for the Wright Aeronautical Corp. Wright Aeroplane Engines has Canadian rights for Bristol Aeroplane Engines.

## Investment Notes

**S.E.C. report** of transactions and holdings of officers, directors and principal stockholders for June includes the following of Canadian interest:

**Hiram Walker**— H. C. Hatch, officer and director, holds 25,043 common shares directly; through a holding company, in which his proportionate interest is not shown, he decreased holdings 270 shares to 28,510. L. M. McCarthy, director, decreased his holdings by 100 to 1,300.

**Howe Sound**—H. H. Sharp, officer, did not hold any stock when becoming a director in August, 1936.

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**B. A. Oil**—It is expected that the company will make an immediate start on the erection of its new Calgary refinery now that ratepayers of the city have endorsed its plans. The refinery is to be completed by next year.

* * *

**Canadian Industries Ltd.** profits in the first six months of the current year compared favorably with earnings in the first six months of years prior to 1937. In the July 23 issue of The Financial Post it was stated results in the first half of 1938 compared favorably with profits in same period of 1937. Actually, profits were lower in 1937.

* * *

**McColl-Frontenac Oil**—It is unofficially reported the company may refinance its 6% preferred stock as soon as refunding of its bonds has been completed. It is suggested the company could easily sell preferred shares carrying a lower coupon rate, particularly if the preferred was made convertible into common stock. The preferred is callable at 105.

* * *

**Maple Leaf Milling**—When the report of the company for the final year ended July 31 appears some time in September, results will not be as favorable as those of the year ended July 31, 1937, which was the best year since 1931. Earnings were equivalent to 20 cents per share on the preferred stock in the 1937 fiscal year. The stock is entitled to 70 cents a share per annum.

* * *

**Abitibi**—It is believed that efforts to bring about a reorganization of the company are at a standstill at the moment. The bondholders' representative committee, the Ripley committee, has until the middle of September to enter a further appeal following its reversal in the Ontario Court of Appeals. It is understood that this committee has not decided yet what its action will be. All parties interested are watching the course of earnings which may give some opportunity for action.

* * *

**Mackenzie Air Service** — After being quiet for some time, this stock has come to life in recent trading and some large buying orders have been placed from well-informed sources. Apparently the rise has been due to reports of much improved operations. The company serves the mining districts north from Edmonton and much development is taking place there. Freight in and out of this huge territory has been rising rapidly and Mackenzie Air Services is obtaining the lion's share. The company has a new Bellanca plane on order and it is understood that any finances needed have been arranged for privately. It is expected that definite figures on the improved earnings will be available within a week or two. Apparently this company's operations are in distinct contrast to those of most air transport companies in Canada.

# Market Opinions

The feeling that stocks are going into a period of higher prices continues to prevail in the comment of stock market experts. Caution, however, is noted and little disposition to recommend indiscriminate buying.

* * *

**Brookmire Bulletins, New York**—"More and more evidence is becoming available showing that a business recovery, with strong indications that it is of a longer-term nature, is now in progress. However, since business not only follows, more often than it leads, market trends, but to move more slowly, some time must elapse before nearby earnings prospects justify present stock prices."

* * *

**The Financial World, New York**—"From a near-term standpoint, the stock market appears to be entitled to a period of rest for the consolidation of its gains of the past month, and a number of recent developments could well furnish reason for a temporary period of indecisive price movements. One of these is the re-appearance of European affairs on the front pages, particularly with respect to signs of further deterioration in the German economy. Closer at home, the rise in commodity prices seems to have levelled off for the time being . . . But there continues to be ample support for the opinion that whatever irregularity may develop in stock prices will be only a phase in the longer-term trend toward substantially higher levels. And as long as this condition prevails, investors will be warranted in adding to their holdings whenever the opportunity is presented. For those primarily interested in capital depreciation, preference should continue to be accorded the equities of well-situated units in the capital goods industries, especially those possessing inflation hedge attributes."

* * *

**Stock Exchange Gazette, London (July 16)**—"Reaction in Wall Street had been expected and is regarded as a healthy movement rather than an alarming one. At the same time reaction in the London market will not be wholly unpopular, for the reason that not a great many investors have yet come into the general market. Either they were a little suspicious of the rise or they found that prices bounded up too quickly in front of them when they attempted to buy."

* * *

**Commercial & Financial Chronicle, New York**—"Results for the week are the best since the June advance faltered at the end of that month, and it is noteworthy that the cheerfulness of the financial market slowly is spreading to other fields of economic endeavor. This increases the hope—which is still far from a certainty—that the stock market is assuming its occasional function of pointing the way toward general economic improvement."

* * *

**The Investors' Chronicle, London (July 16)**—"This has been a rather dispiriting week. It started poorly, picked up quite nicely when Wall Street rallied on Tuesday, and now looks like finishing like the proverbial pancake. It has proved pretty conclusively that Wall Street is the Pied Piper and that until that market takes a new upturn (and I defy anyone to predict its course with any assurance) we must, at best, mark time. But America, it seems clear, must recover soon, and so while we may sell short this week, I would not care to go home tomorrow night with any substantial 'bear' account open."

* * *

**The Annalist, New York** — "The fact remains that many of the uncertainties which have contributed to pessimism over recent months are still present. Together with non-economic complications in the domestic situation, there may also be noted a moderate decline of stock prices in London and the revival of disturbing rumors concerning the European situation.

"It is worth pointing out, however, that many of the adverse factors are of such a character that they might easily undergo a material change within a short period of time. Assuming that a more serious crisis is avoidable, as on several similar threatening occasions in the past, the nature of financial sentiment over the shorter term is likely to be influenced largely by the character of second quarter financial statements, as well as the rate of activity in industries."

## New Scrip Scheme To Work Off Taxes

### Alberta Plans Tax-remission Road Building Scheme

From Our Own Correspondent

EDMONTON.—Further details of the Social Credit Government's new "scrip" proposal indicate that it is little more than a scheme designed to liquidate municipal tax arrears through road work.

Farmers and others against whom tax arrears are listed would be offered the opportunity of doing work on the roads, receiving in payment "tax remission" slips. The idea will be, according to W. E. Hayes, M.L.A., publicity director of the Social Credit board, for the worker to work two days on his back taxes and an extra day for a credit against future taxes. The tax credit slip he received for the extra day, it is presumed, would attain a certain circulation as the Government would accept it and to a limited extent business houses might take it.

The new scrip venture, product of the Social Credit board's adviser, L. D. Byrne, is seen as unlikely to break any records or bring many benefits.

The extent to which the scheme succeeds will reduce the cash income of the provincial treasury, which will be the final resting place of most of the tax slips or tax scrip. Approximately $17,000,000 in tax arrears could be brought under the scheme, but the Social Credit Government is not expected to risk putting out that much scrip which would have to be redeemed. It can hardly be accepted generally, as the only person interested in taking it would be someone who owes taxes or some debt to the Government.

## Asbestos Shipments Decline 55,453 Tons

From Our Own Correspondent

MONTREAL. — Canadian asbestos shipments during the first five months of 1938 totalled 106,952 tons, a decrease of 55,453 tons, as compared with the same period of 1937. As compared with the first five months of 1936, shipments increased 9,687 tons.

Shipments in May totalled 31,007 tons. This compares with 24,642 tons in April and 37,636 tons in May, 1937.

Exports of asbestos from Canada during May showed an increase of 45.9% over the preceding month. The totals were 30,893 tons and 21,176 tons, respectively. The United States received 46.7% of the May exports, Germany 15.7% and Japan 13%.

**G. Tamblyn** — This company should benefit from the end of the price cutting outbreak in the Ontario retail drug trade. It is understood that this only lasted a few weeks although causing considerable disturbance while it continued.

## British Interests Buy Alloy Plant

### Form New Company to Take Over St. Lawrence Alloys

From Our Own Correspondent

MONTREAL. — British Electro Metallurgical Co., of Sheffield, England, has acquired control of St. Lawrence Alloys Ltd., of Beauharnois, P.Q. A new company, with Dominion charter, the St. Lawrence Alloys and Metals Ltd., has been incorporated to acquire assets of the undertaking.

It is stated the new company paid a price for the enterprise which assured shareholders of St. Lawrence Alloys a reasonable return on their investment. Preferred shareholders were paid in full.

St. Lawrence Alloys was a private company. Capital consisted of 2,000 preferred shares, par value $100 each, and 5,000 no par value common shares.

The new company has a share capital of 10,000 no par value common shares.

**Makes Ferro Silicon**

St. Lawrence Alloys was organized in the spring of 1936. The principal product manufactured is ferro silicon, an alloy used in the manufacture of steel. Except for a small percentage sold in Canada, the entire production is exported overseas.

It is understood sale of the enterprise resulted from unsatisfactory operations recently. During the current year there has been a very distinct falling off in overseas trade. This, coupled with severe competition from European manufacturers, resulted in prices being reduced to an unprofitable basis.

## Sharp Increase Seen At Coniaurum Mines

Sharp increase in estimated total profit is revealed by statement of Coniaurum Mines for the three months ended June 30 over the corresponding period of 1937.

H. Whittingham, secretary, says this is partly attributable to an increase of 7,490 tons in milling to a reduction of $29,749 in development and operating costs and to the fact that millheads were higher than normal.

Estimated operating profit for the three months to June 30 was $124,275, compared with $36,100 in the same period 1937.

**Operating Statement**
**Quarters Ended June 30**

| | 1938 | 1937 |
|---|---|---|
| Tons milled | 47,795 | 40,305 |
| Net inc. from metals | $410,926 | $352,500 |
| Devel. & oper. costs | 286,652 | 316,400 |
| Estim. oper. profit | 124,275 | 36,100 |
| Non-oper. rev., inc. prof. on secs. | 20,360 | 22,202 |
| Estimated total profit | 144,635 | 58,302 |

No allowance has been made in the above figures for taxes, depreciation or deferred development.

## Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Mach. and equip. 8 | Pulp and paper 7 | Milling 3 | Oils 4 | Textiles and clothing 10 | Food and allied prod. 12 | Beverages 7 | Bldg. mater. 15 | Power and traction 15 | Banks 9 | Total utilities 19 | Total co's. 96 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1929-37:*** | | | | | | | | | | | | |
| High | 432.5 | 113.4 | 273.4 | 423.5 | 113.5 | 197.8 | 204.6 | 281.1 | 197.6 | 131.7 | 166.0 | 198.3 |
| Low | 39.2 | 3.0 | 37.7 | 87.7 | 30.8 | 78.8 | 33.8 | 44.3 | 47.1 | 63.1 | 36.9 | 43.3 |
| **1938:** | | | | | | | | | | | | |
| Jan. | 109.6 | 18.9 | 87.2 | 194.9 | 64.3 | 158.7 | 116.1 | 138.4 | 64.4 | 84.3 | 48.7 | 107.7 |
| Feb. | 109.3 | 17.5 | 88.9 | 195.2 | 64.8 | 159.9 | 115.0 | 131.4 | 63.1 | 81.8 | 46.8 | 107.1 |
| Mar. | 100.7 | 14.6 | 76.5 | 181.2 | 60.3 | 152.0 | 101.3 | 116.0 | 58.2 | 80.5 | 43.1 | 99.2 |
| Apr. | 103.2 | 15.4 | 75.6 | 172.0 | 55.0 | 151.5 | 106.0 | 119.4 | 59.7 | 80.4 | 43.7 | 97.9 |
| May | 107.2 | 15.7 | 85.8 | 177.2 | 54.5 | 153.6 | 107.5 | 122.5 | 61.0 | 80.9 | 44.5 | 99.7 |
| June | 111.8 | 18.6 | 84.8 | 170.0 | 54.1 | 156.2 | 109.2 | 129.8 | 61.2 | 81.0 | 45.1 | 100.0 |
| **Weekly Figures, 1938:** | | | | | | | | | | | | |
| July 7 | 122.7 | 23.4 | 88.9 | 177.4 | 59.0 | 164.5 | 114.4 | 141.2 | 66.7 | 85.0 | 48.9 | 106.8 |
| July 14 | 123.3 | 22.7 | 88.4 | 178.4 | 58.9 | 168.2 | 115.8 | 139.1 | 66.0 | 85.4 | 48.2 | 106.0 |
| July 21 | 130.4 | 22.9 | 89.1 | 178.1 | 59.4 | 169.8 | 121.7 | 143.4 | 66.2 | 84.5 | 48.5 | 107.3 |

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| July 26 | 124.92 | 123.61 | 96.87 | 37.19 |
| July 25 | 126.34 | 123.70 | 97.95 | 37.84 |
| July 23 | 125.74 | 122.99 | 96.23 | 38.89 |
| July 22 | 126.59 | 123.41 | 95.07 | 37.81 |
| July 21 | 125.12 | 121.31 | 94.68 | 37.24 |
| July 20 | 124.82 | 120.10 | 94.64 | 36.23 |
| Month ago | 114.26 | 117.66 | 84.24 | 35.27 |
| Year ago | 165.04 | 121.86 | 106.04 | 60.48 |
| High, 1938 | 126.85 | 125.85 | 97.95 | 50.85 |
| Low, 1938 | 97.66 | 102.06 | 64.47 | 31.40 |

**Montreal Stock Exchange Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd | 15 Golds |
|---|---|---|---|---|
| July 26 | 67.7 | 87.3 | 80.7 | 125.54 |
| July 25 | 67.9 | 88.2 | 81.4 | 125.75 |
| July 23 | 67.7 | 88.0 | 81.3 | 124.49 |
| July 22 | 67.7 | 88.0 | 81.3 | 125.48 |
| July 21 | 67.2 | 86.9 | 80.4 | 123.69 |
| July 20 | 67.2 | 86.1 | 79.8 | 122.46 |
| Month ago | 64.8 | 77.7 | 73.4 | 119.43 |
| Year ago | 80.6 | 108.5 | 99.2 | 111.36 |
| High, 1938 | 69.3 | 88.2 | 81.4 | 130.77 |
| Low, 1938 | 59.1 | 61.1 | 60.5 | 103.06 |

# Can. Nor Power Earnings Down

### Rise in Revenues Offset by Increase in Expenses

From Our Own Correspondent

MONTREAL.—Earnings of Canada Northern Power Corp. continue on a somewhat lower basis than last year. In June, net earnings declined $11,917 to $235,508, as compared with the same month last year.

For the first six months of the year net earnings declined $25,952 to $1,395,157. This reduction is entirely due to an increase in operating expenses. Despite a reduction in rates to mines at the first of the year, revenues have increased. In the first six months gross earnings increased $107,290 over the same period last year to $2,522,262. In the same period, expenses rose $133,242.

**Power Output Up**

Power output in June increased by 3,908,525 kw.h. to 56,850,782 kw.h. For the first six months production totalled 344,050,177 kw.h., compared with 315,370,102 kw.h. in the same period last year. This is an increase of over 9%.

During June 201 new customers were added to the company's system. This brought the total at the end of June to 20,496 as against 18,136 a year ago.

Comparative statements of earnings for June and the first half of the year are given below:

**Earnings Statement**
**Month of June**

| | 1938 $ | 1937 $ |
|---|---|---|
| Gross earnings | 423,510 | 415,350 |
| Less: Oper. expenses | 188,002 | 167,925 |
| Net earnings | 235,508 | 247,425 |
| **Six Months Ended June 30** | | |
| Gross earnings | 2,522,262 | 2,414,972 |
| Less: Oper. expenses | 1,127,105 | 993,863 |
| Net earnings | 1,395,157 | 1,421,109 |

## Paramount Named In U.S. Trust Suit

### Attempt Being Made to Divorce Distributing and Producing Ends

Paramount Pictures, Inc., is one of several United States motion picture companies named in an anti-trust suit filed by the Department of Justice of the United States. The suit is designed to clarify the application of existing laws to the industry and perhaps set up a system of self-regulation under government supervision. It is aimed to compel the major film producers to divest themselves of the ownership of moving picture theatres. The system of distributing motion pictures, including the block booking system, was also attacked.

Canadians acquired direct interest in Paramount through the exchange offered in 1930 of four shares of the old Paramount Publix Corporation stock for five shares of Famous Players Canadian Corp. This offer resulted in approximately 98% of the stock being exchanged.

Paramount Pictures owns about 1,000 theatres and in recent years has derived most of its revenue from its theatres, as its production department has not been profitable. Whether or not the suit, in the event that it proves successful, would be harmful to Paramount and its shareholders can not be said definitely.

It is understood that informal conferences took place between the representative of the motion picture industry and the Department of Justice before the suit was instituted and that the move is, at least in the beginning, regarded as in part a friendly one.

## Imperial Oil Building Two Large Tank Ships

It is expected that two new tankers, now being built for Imperial Oil at Sorel, Que., and Collingwood, Ont., will be launched toward the end of August. These new ships will each have a capacity of 420,000 gallons and will cost over $450,000.

Imperial Oil now has a fleet of 11 tankers operating on the Great Lakes. These range in size from the 2,631-ton Talaralite to the 715-ton river steamers Ottawalite and Rideaulite. All of these, as well as the company's fleet of ocean going ships, are managed by Imperial Oil Shipping Co., a subsidiary formed in 1936.

## Peerless Corp. Profits For Nine Months Rise

Peerless Corp. reports profit of $663,678 for the nine months ended June 30, 1938. This is after depreciation and other charges but before federal income and undistributed profits taxes. In the corresponding period a year ago profit was $475,194.

Indicated profit for the three months ended June 30, 1938, was $252,393 compared with a profit of $251,028 in the June quarter of 1937 and $172,721 in the three months ended March 31, 1938.

Peerless Corp. operates a brewery at Cleveland. Canadian Breweries has a substantial interest in the company.

## Near Winding Up Old Great Lakes Paper

A further step has been taken toward the winding up of the old Great Lakes Paper Co. Ontario courts have approved an arrangement between the liquidator of the company and its creditors.

When the reorganization of Great Lakes Paper Co. took place in 1935, the liquidator received 10,000 class A preference shares and 20,000 common shares in complete satisfaction of the claims of ordinary creditors against the new company, The Great Lakes Paper Co. After deduction of expenses these shares may now be distributed to creditors of the old company.

## Windsor Hotel of the Soo Approves of Liquidation

At a special meeting of the shareholders of Windsor Hotel, Sault Ste. Marie, Ont., winding up of the company was approved. William T. Scott was appointed liquidator. On Oct. 26, 1937, 6½% first mortgage bondholders received $307.45 for each $1,000 bond, on surrender of their bonds.

McColl-Frontenac Oil Company Limited
4¼% Bonds

McColl-Frontenac Oil Company Limited intends to redeem its outstanding 6% Bonds on October 1st next and proposes to issue new Bonds to provide for the redemption and for other corporate purposes.

*New Issue*
McColl-Frontenac Oil Company Limited
First Mortgage and Collateral Trust
4¼% Bonds, due October 1st, 1949
Price: 100 and interest, to yield 4.25%.

The Company's outstanding 6% Bonds, with all unmatured coupons attached, may be presented in payment for the new issue at a price of 107.50 flat, subject to fluctuations in sterling exchange.

Descriptive circular forwarded upon request.

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## Tamblyn Profit Up in Quarter

### Increase in Three Months' Earnings But Half Year's Down

G. Tamblyn reports decreased earnings for the six-months' period ended June 30, 1938, in comparison with a similar period in 1937. Sales for the 1938 period amounted to $1,690,937, as compared with $1,769,706. Profits dropped to $42,905 from $60,270.

In the three-months period from April 1 to June 30, 1938, profits increased to $21,858, from $18,864, although sales declined to $842,028 from $846,481.

Operating figures for the six-months period and three-months period are as follows:

| Three Months Ended June 30: | 1938 $ | 1937 $ |
|---|---|---|
| Sales | 842,028 | 846,481 |
| Profits | 21,858 | 18,864 |
| **Six Months Ended June 30:** | | |
| Sales | 1,690,937 | 1,769,706 |
| Profits | 42,905 | 60,270 |

## McColl-Frontenac Approves New By-laws

From Our Own Correspondent

MONTREAL.— Shareholders of McColl-Frontenac Oil Co. at a special general meeting approved four new by-laws submitted by directors.

A special general meeting can now be requisitioned by 10% of the share capital whereas it was formerly 25%. The percentage of shares forming a quorum has been reduced from 51% to 33 1/3%. Furthermore, nomination of a shareholder as a director, except a retiring director, need no longer be made in writing seven days before a general meeting of shareholders.

Shareholders also approve changing the head office of the company from Montreal to Toronto.

## Windsor Hotel Plan Meets Good Response

From Our Own Correspondent

MONTREAL.—The plan of reorganization for Windsor Hotel Ltd. is reported to be meeting with favorable response.

Present indications are the plan will be approved when submitted to security holders on Aug. 2. If adopted, common stock control of the company passes to present second mortgage bondholders.

Under the plan of reorganization, fixed charges will be drastically reduced. At present, bond interest and preferred dividend requirements amount to $316,333 annually. Under the proposed capital structure the only charge prior to the common will be first mortgage bond interest of $108,982.

## Municipal Finances

**Windsor, Ont.**—The city council of Windsor has passed a by-law authorizing issue of debentures to cover indebtedness of the former Essex Border Utilities Commission. Total amount set forth was $22,267.

* * *

**Ottawa.**—Relief costs in Ottawa continued to go down during the year, in contrast to the situation in Toronto and most other Ontario cities. Gross relief expenditure in Ottawa for the first six months of the year was $820,284, which is a reduction of $256,413, or 23.82% from the corresponding period in last year. Ottawa had to pay $311,768 of the total bill, which is less by $129,930, while the Province of Ontario, with the assistance from the Dominion Treasury, paid $508,516 and saved $126,483. Relief recipients were fewer by 21.45% during this period.

* * *

**Weyburn, Sask.**—Relief recipients who go harvesting during August and September will be granted $25 a month exemption on their earnings during that period. Better crop conditions are expected to reduce the relief rolls. Total cost of relief in Weyburn for June was $9,613, of which the city's share was $2,446.

**SEALED TENDERS** addressed to The Hydro-Electric Power Commission of Ontario, attention of the undersigned, and endorsed *"Tenders for the Purchase of the Capital Stock of The Hamilton Street Railway Company"* will be received by the undersigned at 620 University Avenue, Toronto, up to 12.00 o'clock noon (Daylight Saving Time) on Monday, the 22nd day of August, 1938, for the purchase of the total issued share capital of The Hamilton Street Railway Company.

The physical plant of the Company, the Company's operating statements and franchises, and other relevant information may be inspected by prospective Tenderers on application to Mr. George W. Waller, Manager of The Hamilton Street Railway Company, at the Company's office in the City of Hamilton, or on application to the undersigned at 620 University Avenue, Toronto.

An accepted cheque for Ten Thousand Dollars must accompany each bid; which will be applied on the purchase price in the event of acceptance of the tender, and returned to the bidder if the tender should be rejected.

Each tender must set out in detail the proposed terms of purchase, including terms of payment.

The highest or any tender will not necessarily be accepted.

R. T. Jeffery,
Acting Secretary and Controller,
Hydro-Electric Power Commission of Ontario,
620 University Avenue,
TORONTO 2

Dated at Toronto the 20th day of July, 1938.

## Brazilian Has Earnings Drop

### Unfavorable Exchange Rate of Milreis Cause of Decrease

Gross earnings of $18,473,125 are reported by Brazilian Traction, Light and Power Co. for the six-months' period ended June 30, 1938, as compared with $18,534,605 for a similar period in the previous year.

Net earnings for the six months in 1938 totalled $9,765,427, as compared with $10,153,498, a decrease of $388,071, or 3.82%.

In the month of June, 1938, net earnings dropped to $1,736,424 from $1,982,836 in June, 1937, a decrease of $246,412, or 12.43%.

Lower earnings of the company are more than accounted for by the unfavorable exchange rate of the milreis in comparison with last year.

Gross earnings for the six months show a relatively small decrease from the previous year, being only 0.33%.

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**Bond Markets**

# Canadian Bond Markets Developing Uneasiness

### Although Prices Do Not Decline Buying Orders Dried Up—Governments' Deficit Financing Bolstering High-grades

Some uneasiness seems to be developing in the market for high-grade Government bonds. Even the short term issues have not escaped some effect. It is not that prices have shown much of a decline but more that buying orders have largely disappeared and a preponderance of offers taken their place.

Market levels for highest grade bonds, both in this country and most others, has for a long time been receiving various forms of artificial support. This has come chiefly from Government agencies, which in Canada means the Bank of Canada. So long as governments, both in this and in other countries, continue to require huge sums to finance deficits it is unlikely that prices for highest grade bonds will be allowed to slip very far.

More than one reason can be advanced to account for any temporary weakness. Recent large offerings have received only a fair reception from investors. Although readily oversubscribed, actual retail distribution has apparently been a different matter. It is expected, however, that it will be only a matter of a short time until recent issues are cleared up.

Awakening of interest in the stock market has probably had much to do with less attention being paid to high-grade bonds. With prospects of capital appreciation in the stock market, investors have been turning their attention more toward this than to the low return obtainable from Government bonds. It is also felt that in preparation for the financing of the coming wheat crop in western Canada, some selling has occurred to provide ample supplies of cash.

***Future For Bonds***

One factor maintaining the demand for high-grade securities is the large demand of institutions, for whom security is the prime consideration and governmental regulation a restraining influence. Lacking outlet in industrial liens, because of uncertain industrial outlook, high-grade issues have been favored, with resulting high prices.

With present signs indicating a revival of business and increased popularity of industrial liens, there is a distinct possibility that at least a portion of the surfeit of funds seeking a reasonably safe place for investment will find an outlet in industrial issues. The need of working capital in a revived business will absorb some of bank funds.

At the present time investors who are not entirely convinced of the strength of trade recovery and the upward movement of securities, are regarding second-grade or more speculative issues with a little interest. Given encouragement by continuance of the present trend, they would be ready to desert the high-grade field and venture into lower priced range.

These factors remaining constant, a dropping off in the abnormally steep prices of bonds may well occur in the future.

* * *

***New Issues***

Province of Ontario guaranteed Hydro-Electric Power Commission 3% bonds, due 1948, of $12,500,000, are said to have received a "fair" reception during the week. Books at the middle of the week were not closed.

The $12,500,000 issue of McColl-Frontenac issue is reported to have met with a strong demand from both institutional and private investors.

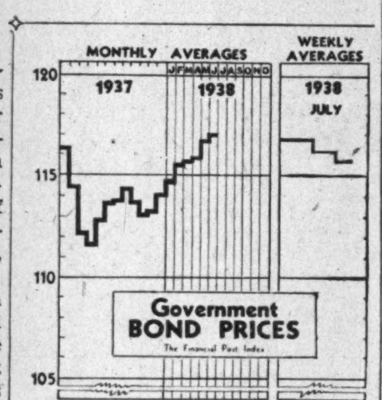
* * *

***Argentine Bonds***

A registration statement has been filed with the S.E.C. by the Republic of Argentine covering $25,000,000 of 10-year sinking funds external loan 4½% bonds, due Aug. 15, 1948.

According to the registration statement the proceeds will be advanced by the Government of Argentine to the City of Buenos Aires to be used in payment of the city's floating and short-term indebtedness and toward payment for property acquired.

A quieter political atmosphere in Europe and settlement of the Anglo-




German differences on the Austrian debt issue have improved the immediate outlook for European bonds.

Substantial foreign buying in the second-grade issues in New York has made itself felt.

In United States financial circles rumors persisted this week that a settlement will be offered soon on Colombian dollar bonds. Earlier in July, Dr. Garcia, president of the Colombia Agricultural Mortgage Bank, was quoted as denying that an offer on Agricultural Mortgage Bank bonds was near.

* * *

***Canadian Funds***

McColl-Frontenac refunding operations provides another example of a Canadian company which has abolished option of payment in Canada, the United States or London. A similar procedure was followed by Gatineau Power Co. a few weeks ago. Payments are to be in Canadian funds only.

This move indicates the current strength of the Canadian market and the fact that most issues can be financed in Canada without going to foreign markets.

* * *

***Bond Index***

While many government bonds did not change substantially during the week, there was a softening in some middle-term issues. Trading on provincial issues was fairly quiet, with a slight dropping-off in prices generally, the only exceptions being Manitoba and Alberta obligations.

**Average Price and Yield for Seven High-Grade Government Bonds**

| 1938 | Price $ | Yield % | 1937 | Price $ | Yield % |
|---|---|---|---|---|---|
| July 26 | 115.50 | 2.971 | July 24 | 113.80 | 3.279 |
| July 25 | 115.50 | 2.971 | July 23 | 113.80 | 3.279 |
| July 23 | 115.55 | 2.969 | July 22 | 113.80 | 3.279 |
| July 22 | 115.60 | 2.959 | July 21 | 113.80 | 3.279 |
| July 21 | 115.79 | 2.934 | July 20 | 113.76 | 3.277 |
| July 20 | 115.86 | 2.924 | July 19 | 113.76 | 3.277 |
| Year's | 117.21 | 2.806 | Year's | 116.81 | 3.026 |
| Range | 114.21 | 3.147 | Range | 111.60 | 3.505 |

## Oxoseal Issues First Statement

### Loss Shown by B. C. Rustproofing Company

Oxoseal Company, Vancouver, B.C., promoters of the "Oxoseal" process for rustproof metal, has issued its first statement.

While the company was not able to show a profit, the management regards its progress as satisfactory, in view of the unfavorable business conditions in the steel industry in the United States in the past year.

The company installs special "Oxoseal" materials in licensed plants and supplies replacements, as required. Rustproofing of any metallic article subject to erosion is accomplished through electro deposition of the "Oxoseal" material.

Three plants are using the "Oxoseal" process, so far. Officials estimate that sales of material through 10 plants will be adequate to place the company on an earning basis and give a satisfactory return on capital.

The statement covering the period from Dec., 1936, to July 5, 1938, shows 15,035 of the 200,000 authorized 7% cumulative redeemable preferred shares outstanding. These shares have a par value of $1. Of the 1,300,000 ordinary no par value shares authorized, 1,000,005 were outstanding at July 5, 1938.

## Windsor Court Apartments To Pay Overdue Interest

Windsor Court Apartments has announced that a 3% payment on account of bond interest will be made on Sept. 1.

This is the first interest payment to be made by the company since that of Dec. 1, 1937. Bondholders are asked to present coupon No. 14 due June 1, 1934, at any office of the Bank of Nova Scotia in Canada.

The Century Bond & Management Co. states that the revenue of Windsor Court Apartments is holding at about the same level as that of last year, which might be considered as reasonably favorable in spite of existing conditions.

## Canada Packers Opens New Plant

### Modern Unit Rounds Out Company's Expansion Programme

Newest plant of Canada Packers Ltd. was officially opened at Vancouver this week, with ceremonies at which Premier T. D. Pattullo, of British Columbia, officiated.

The $750,000 slaughtering, processing and packing establishment is the eighth in the continent-wide chain of the company's plants. Others are at Toronto, Montreal, Peterborough, Hull, Winnipeg, Edmonton and Chicago. Erection of the plant, begun a year ago and completed ready for first operations last January, rounds out the two-million-dollar expansion programme launched in 1936.

In its pleasing appearance, modern simplicity of design and latest-type equipment, the plant resembles the Edmonton plant of the company, erected in 1936 at a cost of approximately $1 million. Both were designed by Eric R. Arthur, Toronto architect and professor of architecture at the University of Toronto.

The new Vancouver plant is being operated to supply the requirements of the British Columbia territory for packing house products. The Edmonton plant and most of the company's other plants function partly if not largely to meet demands of the company's export trade.

### Bond Tenders

**4 p.m., Aug. 1, Sorel, P.Q.**—$46,000, 4%, redeemable serially to May 1, 1943; $36,000, 4% redeemable serially to June 1, 1943. Jean L. Poirier, clerk.

**2 p.m., July 29, Sherbrooke R. C. Seb. Com.**—$50,000, 3½%, dated May 1, 1938, redeemable serially from May 1, 1939 to May 1, 1953. G. E. Begin, sec.-treas.

**Aug. 8, Amos, P.Q.**—$40,000, 4, 4½ and 5%, dated June 1, 1938, redeemable by series of $8,000 each June 1, 1958, 1959, 1960, 1961 and 1962. Gaston Roberge, clerk.

**8 p.m., Aug. 15, Joliette, P.Q.**—$45,500, 4%, dated May 1, 1938, redeemable serially in 30 years. Camille Bonin, sec-treas.

**July 29, Canada Treasury Bills — $25,000,000, dated July 30, maturing Oct. 1.**

## United Fuel Net to Drop

### Agreement With Hamilton Council on Merger Nearing Completion

Earnings of United Fuel Investments are likely to be substantially lower in the current year than the $5.97 a share earned on the preferred in the year ended March 31, 1938, according to information given shareholders at the annual meeting by S. A. Morse, president.

Higher coal and transportation charges, in effect for only a part of last year, are the chief factors which Mr. Morse expects to bring lower profits. Large inventories of coke made it necessary for the company to lower its selling price and it is not expected that higher prices will be seen in the coming heating season.

Negotiations are continuing between company officials and a sub-committee of the Hamilton City Council in respect to a proposed agreement between United Fuel Investments and Dominion Natural Gas Co. Delay in receiving approval from the council has made it impossible to present the plan to shareholders, said Mr. Morse.

**Agreement Recommended**

Since the company's annual meeting the special gas committee of the city council has recommended a draft agreement for adoption by the council. The agreement is expected to come before the council in the near future and at present the prospects are that it will be adopted.

Some of the provisions of the tentative agreement are as follows:

(1) Present rate of 75 cents a thousand cubic feet for gas is to remain in effect at least until 1941 and the right to apply to the municipal board for an increase to 90 cents will be relinquished by the company.

(2) Natural gas will continue to be supplied to areas at present served at least until 1941.

(3) The company will relinquish its right to apply for an increase to $1.25 per thousand cubic feet after 1941, agreeing instead not to apply for a rate higher than 90 cents.

(4) The company will pay the city $1,000 a year in lieu of supply of free gas to certain city utilities.

## Clarendon Props. Plan Advanced

### Bondholders Would Reduce Bond Interest to 2½% from 7%

A group of bondholders of Clarendon Properties holding more than $100,000 of the 7% first mortgage bonds of the company have drawn up a plan of reorganization. E. B. Kernaghan, Toronto, is acting as spokesman for the group.

The bonds are in default since the payment of coupon No. 9, due May 1, 1932. At the present time the properties, "The Claridge," a 44-apartment building at Avenue Road and Clarendon Avenue, Toronto, is managed by the Royal Trust Co., acting for the bondholders. Occasional payments on past due interest are being made.

Presently outstanding is $700,000 of 7% 20-year sinking fund first mortgage bonds, due Nov. 1, 1947. By the plan the present bonds will be exchanged for the same face value of new first mortgage bonds bearing interest at 2½%. The bonds would be dated Nov. 1, 1938, and mature Nov. 1, 1958. In addition a bonus of 40 shares of common stock would be given in lieu of interest arrears and cost of reorganization would be met from the waived interest.

**Would Buy in Bonds**

At the present rate of earnings, it is stated that the company would be able to meet requirements on the new bonds and have available something for distribution on the common shares.

Interest payments would be made twice yearly on May 1 and Nov. 1. Surplus earnings would also be used to buy in bonds for cancellation yearly by tender.

On Dec. 9, 1932, the bondholders of Clarendon Properties met and waived the default. There is in existence a Bondholders' Committee, which the new group claims has not met often enough to ensure adequate protection of the bondholders' interests.

For the six months ended May 31, 1938, the company showed net earnings of $11,995. After deduction of $12,250 bond interest and addition of previous surplus, a surplus of $838 was carried forward. In the 12 months ended Nov. 30, 1937, net earnings were $17,008.

## Bank of Canada to Buy All Shares by Aug. 15

Government ownership of the Bank of Canada will be completely effected on August 15 when the Treasury Department of the Dominion Government will buy in the 100,000 shares in the hands of the public at a price of $59.20 per share This stock was originally issued at a price of $50 a share.

In a statement issued by the Bank of Canada, it is stated that the Bank is required by act of parliament to pay to each shareholder of class A shares of the bank $59.20 for each share registered at the close of business on July 15 together with interest accrued to August 15.

## Algoma Central Trust Deed Receives Official Release

Official notice is given in the Canada Gazette that release has been deposited with the Secretary of State at Ottawa on the second mortgage trust deed of the Algoma Central and Hudson Bay Railways.

At a meeting on April 15, 1937, holders of the 5% cumulative income debenture stock of Algoma Consolidated Corp. approved the surrender by the company to Algoma Central for cancellation of the entire issue of $318,000 of the second mortgage bonds.

This was part of a programme of distribution of the assets of Algoma Consolidated Corp.

# Drive Starts in London

### Canada's Advertising Campaign Is the Largest Yet Undertaken

By H. L. SOUTHALL
Editor-in-Chief, Business Newspapers, The MacLean Publishing Company, Ltd.

LONDON.—The new campaign for advertising of Canadian food products by the Department of Trade and Commerce is now under way.

In accordance with the new plan of pushing the sale of specific Canadian products, buses are now carrying streamer signs throughout greater London with its 14,000,000 population, bearing the words "Canada calling you to brighter meals with Canadian canned tomatoes."

It is planned to promote other Canadian food products during ensuing months as part of the campaign in which approximately $300,000 will be spent in the current fiscal year, an increase of about $60,000 over the previous vote for the "Canada Calling" campaign.

"In line with the new policy of concentrating upon certain specific products we are concentrating upon canned tomatoes during July with poster advertising, canvassing of grocers, press advertising and other means designed to make people product conscious," stated Frederick Hudd, Chief Canadian Trade Commissioner in the United Kingdom when I discussed the forthcoming campaign.

"This will be the first attempt ever made to concentrate upon particular products. Later on we will promote the sale of canned fruits and vegetables. One of the reasons for starting off on canned tomatoes is that there is a rather big accumulation of stocks of that commodity in London."

**Schedule of Promotion**

Following is the schedule of product promotion to be carried out in this greater London area:

August and part of September—canned salmon.

September and October—Cheese, and as the crop comes on the market apples will be featured, followed by bacon.

One of the big advantages of the product advertising is that it will be easier to appraise results in the form of increased sales volume, though fear is still present that unsteadiness of supply to meet any appreciable increase in business will reduce results for Canadian producers.

It is hoped to make this year's advertising campaign the most effective ever undertaken in the United Kingdom. Under the supervision of the high commissioner, Hon. Vincent Massey and his committee on publicity, a long period of careful preparation has been devoted to a trade canvass with the result that co-operation has been assured from importers, branches of Canadian companies, brokers and wholesalers.

A sales-promotion organization will support the advertising, and by a progressive programme, every grocer in the area selected will be called upon. The purpose of this work is to establish the friendliest attitude toward all Canadian foodstuffs.

Dealers here are anxious to sell Canadian goods where quality is uniform and supply is continuous. The lack of continuity of supply has often discouraged the trade. It is hoped that as intensive work here demonstrates possibilities, Canadian suppliers will overcome the only real obstacle in the way of increasingly big business, namely, supply.

**In Two Sections**

The advertising itself has been divided into two sections. One is to follow up in a general way, the work done during the last two years through the "Canada Calling" campaign, when an excellent foundation was laid. The present scheme provides for a highly-concentrated and continuous drive in the Greater London area over a period of nine months. Newspapers circulating in this area will be used for a continuous educational campaign on the uses and value of Canadian foodstuffs.

One of the heaviest outdoor advertising campaigns known in the United Kingdom will also be undertaken.

Perhaps the most pleasing and encouraging feature of the programme is its reception by the most important group involved, the retailers themselves.

**Co-ops Big Buyers**

In reply to my question as to the extent of purchases of Canadian products by the ever extending co-operative merchandising organizations in the United Kingdom, Mr. Hudd replied that the co-operative wholesale concerns represent the largest single buyers of Canadian canned salmon and are big buyers of Canadian canned vegetables and cheese.

The South Wales co-ops are particularly big buyers of cheese and of Canadian canned goods, and a strong appeal has been made to them to buy the latter on the reciprocal interest basis that the more canned tinned goods they buy the more tinplate they will sell to us. Posters were erected at the pitheads of the great coal mines in South Wales stressing this point.

The 1938 publicity campaign for Canadian food products is being directed by a Canadian advertising agency under the personal direction of a Canadian with experience in this market. He is supported by Canada House with its trade commission staff and other officials and the Trade and Commerce department at Ottawa.

# Bennett Never Wavered

(Continued from page 1)

inees by assuring them that I would not change my mind, it would be highly dishonorable, at the eleventh hour, to place Dr. Manion, a former colleague, and members of the House of Commons in a position where they could properly say that they had relied upon my assurance, otherwise they would not have been candidates.

"3. I do not think the retiring leader should have played an important part in aiding the party to find a new chief. Mr. Meighen did not at Winnipeg and I felt that any active effort that I might make would be misunderstood and I wished the party to deal with the situation as though I did not exist.

"4. It is incorrect to say that I actively opposed Dr. Manion. I actually supported Mr. Meighen for the leadership—not that I was opposed to Dr. Manion but because I believed Mr. Meighen to be the best qualified man, under present conditions, for the position.

**"Never Wavered"**

"5. It is absolutely untrue to say there was any hesitancy on my part to 'finally withdraw.' I indicated my withdrawal in March and I never wavered from that position. There may have been uncertainty in the minds of other people but there never was in mine. Surely anyone would realize that if I had any thought of continuing I would at least have taken some part in the preparation of the platform of the party.

"6. It is absolutely untrue that my attitude made it 'embarrassing for other aspirants who were actively associated with me in the House.' You can easily satisfy yourself that Mr. Lawson and Mr. Massey and Mr. Harris all indicated that they would not be candidates if it were possible to induce me to remain. Both Mr. Massey and Mr. Lawson saw me on the very day of nomination in my office and pressed me to reconsider my position. Mr. MacPherson was one with whom I had discussed the matter some time ago but he did not then favorably consider the matter. He advised me that he would not become a candidate if either Mr. Meighen or myself were available.

**Sought to Avoid Criticism**

"7. I kept away from the convention as much as possible so as to avoid discussions about a matter that had been settled, so far as I was concerned. I cannot recall ever having made a greater effort to avoid criticism than I did in connection with this convention.

**"Saddest Memories"**

"8. It is probably true that during most of the time that I was in attendance at the convention I sat 'glum and downcast.' The average observer might not have known the reason why but my intimate friends knew that the convention brought with it the saddest memories of my life. My dear sister was very active at the Winnipeg gathering 11 years ago and had looked forward with great interest to the recent convention, which she fully expected to attend. The proceedings of the afternoon and the presence of her son made it very difficult for me to even speak and perhaps you have been told that it was with the greatest effort that I was able to overcome my emotions and proceed with my address."

## Capital Change Proposed to Brown Corp. Holders

Increase in capitalization and a plan for redemption of preference shares are submitted at a special meeting of shareholders of Brown Oil Corporation held in Calgary on Wednesday.

Hon. R. J. Manion, new Conservative leader, is vice-president of the company.

Under the plan as proposed, authorized common stock is to be increased from 2,000,000 to 3,500,000 no par value shares.

Shareholders were asked to ratify a proposal by which holders of preference shares would receive a number of common shares to be determined by the directors, a number not to exceed 150.

Ratification of this proposal and retirement of the preference issue would not only eliminate the charge for preference dividends, but will relieve the company of the necessity of providing a sinking fund for the preference issue on the completion of six wells. This sinking fund calls for the appropriation of 50% of net production for the retirement of preference stock.

### Bond Redemptions

| Bond Issues: | Rate | Year | Due | Price |
|---|---|---|---|---|
| Dom. Tel. Secs. | *5½% | 1978 | Aug. 2 | 100 |
| Gatineau Pr. .... | 6% | 1941 | July 29 | 101 |
| Do., (B) ...... | 6% | 1941 | July 29 | 101 |
| Eastern Car .... | *6% | 1952 | July 30 | ... |
| Steel of Can. ... | ‡6% | 1940 | Aug. 1 | ... |
| B. A. Oil ........ | ▲4% | 1945 | Sept. 1 | 101½ |
| St. John's, Nfld. | §6% | †1947 | Aug. 1 | 100 |
| Ham. Cotton, A | 5½% | 1948 | Sept. 19 | 103 |
| Ottawa L. H., A . | 5% | 1957 | Oct. 1 | 103 |

For sinking fund purposes: *$3,100. ▲$222,500. §$86,000.
Tenders called for: *$41,272. ‡$443,137.

**STOCK REDEMPTIONS**

| | Rate | Class | Due | Price |
|---|---|---|---|---|
| Bk. of Canada .. | 4½% | A | Aug. 15 | $59.20 |

## Canada Bud Breweries Sales Volume Holds

Next annual report of Canada Bud Breweries will only cover a ten-month period because of the change in the fiscal year end from December to October as adopted at the last annual meeting.

Duncan McLaren, president, in a letter to shareholders, reports that summer sales are holding up well. In line with other businesses the brewing industry has experienced smaller sales volume in the early months of 1937, says Mr. McLaren. This was made worse by the cold and backward spring. "Your directors feel that the conservative financial policy of the company should be continued, as it is important at all times to maintain a healthy liquid position," writes the president.

Canada Bud Breweries paid its last dividend on July 26 at the rate of 20 cents a share which was half the semi-annual payments of 40 cents of the past two years. In 1937 the company earned $1.08 a share, down slightly from the $1.12 a share reported for 1936. The lower dividend just paid, accompanied by reports of lower sales volume, apparently indicates that profits so far in 1938 have been on a reduced basis.

**Distillery Changes Name**

Pioneer Distillers Limited has changed its name to Amherst Distillers Limited. Pioneer Distillers is a wholly owned subsidiary of Brewers and Distillers of Vancouver and was informed by the parent company in 1929 to take over and operate the distillery built by the latter at Amherstburg, Ont.

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## Abitibi Denies Opening Mill

### Lease on Sturgeon Falls Mill Not Arranged

Daily press report that the Sturgeon Falls newsprint mill of Abitibi Power & Paper Co. was placed in operation on July 25, is declared unfounded in a statement issued by G. T. Clarkson, receiver and manager. This mill was closed in 1930 and has remained ever since. No power was turned on or machines started this week.

Only activity at the mill is that of a party of half a dozen men taken in by a Toronto engineer who is making a survey of the property, removing debris and taking measurements. This man and Abitibi representatives are believed to be the only persons on the property at the time, according to Mr. Clarkson. The engineer is acting for what is known as the Sturgeon Falls Paper Mills Syndicate.

This syndicate, which is said to include about 85 persons in Sturgeon Falls, North Bay and vicinity, has been negotiating with Mr. Clarkson for a lease of a part of the Sturgeon Falls property to manufacture groundwood pulp.

**Doubt Success of Proposals**

"No such lease has been arranged, neither has the Syndicate satisfied Abitibi as to the adequacy of its resources to pay any moderate rental for the property and carry on the operations proposed, the ultimate success of which, in the opinion of Abitibi officals, is open to doubt," Mr. Clarkson states. Announcement of these lease negotiations was first made in June.

The syndicate is headed by H. B. Gibbs, Sturgeon Falls, who denies issuing any statement that the mill had been placed in operation.

## Sorel and Sherbrooke Call For Bond Tenders

The City of Sorel, Que., is calling for tenders for Aug. 1, on two debenture issues, both to mature in 1943. The two issues which will bear interest at 4%, on principal amounts of $46,400 and $36,000.

Sherbrooke School Commission, Que., is also calling for tenders on $50,000 of 2½% debentures for July 29.

WINDSOR HOTEL LIMITED
Meetings of Bondholders and Shareholders
AUGUST 2nd, 1938

NOTICE

Bondholders and shareholders of Windsor Hotel Limited, if they do not intend to be personally present, are urged to file their proxies without delay so that they will be represented at the appropriate meetings which have been called to be held on August 2nd, 1938, in connection with the Proposal of Compromise or Arrangement of the Company dated May 25th, 1938, and other relevant matters.

Copies of the said Proposal of Compromise or Arrangement, the circular letter forwarded to the Bondholders and Shareholders, Instruments of Proxy, Regulations and Instructions for depositing Bearer Bonds and obtaining Voting Certificates, Form for deposit of Bearer Bonds and Forms of Voting Certificates may be obtained on application to the Secretary, Windsor Hotel Limited, Dominion Square, Montreal, or to the office of Montreal Trust Company, 511 Place d'Armes, Montreal, or to the office of Trust General du Canada, 71 St. Pierre Street, Quebec, or to the office of Montreal Trust Company, 61 Yonge Street, Toronto.

WINDSOR HOTEL LIMITED
R. SMITH,
Secretary.

NOTICE TO DEBENTURE HOLDERS OF
THOROLD, ONTARIO
The Corporation of the Town of Thorold, Ontario, having appointed
GUARANTY TRUST COMPANY OF CANADA
Toronto and Windsor
its Fiscal Agent for the refunding of its debts, requests all debenture holders to advise the Fiscal Agent immediately as to their holdings, giving by-law number, serial number, principal amount and due date of all debentures held by them.
CORPORATION OF THE TOWN OF THOROLD
WILLIAM A. HUTT, Mayor
NORVAL E. BYE, Clerk-Treas.

Naturally I prefer CRAVEN "A" quality!
You too will prefer Craven "A" cork-tipped—because they do not affect the throat.
20 for 25c.
ALSO IN TINS 50 for 60c.
Same price as in England.
C.A. 473
MADE SPECIALLY TO PREVENT SORE THROATS
CRAVEN PLAIN (Without Cork-Tip) SAME FINE QUALITY AS CRAVEN "A"
in Green Packets 20 for 25c. Carreras Ltd., London, Eng.—150 years' reputation for quality.

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GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, JULY 30, 1938


## The Financial Post's Platform for Canada

*Balanced budgets.*
*A modernized constitution.*
*Extension of Empire trade.*
*Integrity in meeting public obligations.*

## Straws That Foretell a Cyclone

CRITICAL comment on Mr. Aberhart and the egregious follies of his "Social Credit" government grows daily in Alberta. One has but to read the newspapers of that province to see how the tide of disillusionment is rising.

The Cardston News reports that, although crops are the best in years, business is slack in its town. The reason given is that the Government's policies have made credit tight.

The Hanna Herald makes some pointed remarks about the "tomfoolery masquerading as social credit."

The Nanton News sympathizes with its friends in neighboring Granum which is without bank accommodation because of Aberhart policies.

The Bassano Recorder devotes an editorial to showing how local merchants and citizens are hurt when banks are forced to quit.

The Drumheller Review says the debt moratorium has proved a wet blanket to Alberta. The crooks and deadbeats take advantage of it. Many people who had an income that provided for their needs have been reduced to absolute want.

The Vulcan Advocate shows how Lethbridge is being robbed of $5,000 a year of the interest due it on Alberta bonds, held for the sinking fund.

The Blairmore Enterprise notes that while Alberta has defaulted on its own bonds it takes full payment from the Alberta Wheat Pool on the 5% interest on the latter's bonds held by the Government.

The straws that show Mr. Aberhart to be on the way out would make a big stack if gathered together.

## How Communists Raise Money

FOR THE Moscow-controlled Communist groups in various countries, the civil war in Spain has provided a fruitful opportunity for what is known among the comrades as "prop-agit"—propaganda and agitation. Cleverly, the propaganda has been financed largely by the dupes of the propaganda.

This is demonstrated by the recent financial statement issued by the "Friends of the Mackenzie-Papineau Battalion," a Red-promoted and directed organization. Avowedly this group was formed to send supplies of food, clothing and medical needs to the "Canadian" unit in the Spanish Loyalist army, and to foster sympathetic support in Canada for the Canadian Communists in the Spanish foreign brigade. Actually, it appears to have functioned largely as an extension of the general propaganda activity of the Communist Party. Its special function has been to whip up general support for the Loyalist cause, and for the leftist groups who are taking a free ride on that cause.

This view is supported by analysis of the receipts and expenditures of the Friends of the Mackenzie-Papineau Battalion. This shows that cost of collection and administration amounts to over 32%, from three to ten times the percentages for comparable fund-raising activities in less radical circles. The Friends claim that inclusion of value of goods donated would increase the total of shipments to Spain. Even on this basis, collection and administration costs are still at a high figure.

Scrutiny of the expense items show that most of it went for organizing meetings, printing and advertising, travelling expenses, pamphlets, badges and cards, administration salaries. In other words, for developing a fresh channel of progaganda and whooping it up for the deceptive allure of Communism.

## Labor and Unification

ONE may or may not agree with Sir Edward Beatty's proposal for unification of Canada's two major railway systems, but there will be general agreement that railway labor did not take a very constructive stand in presenting its views recently to the Senate Railway Enquiry.

Most of the railwaymen who appeared before the Committee assumed there would be considerable displacement of present railway employees. They opposed unification too, because it would reduce opportunity for railway employment in the future.

It is proper for railway workers to consider the security of their employment in the event of drastic action to solve the railway problem. But their opposition in the face of a promise of adequate protection and compensation is difficult to understand.

Railway workers are not the only workers in Canada.

Railway deficits are a large factor in the heavy burden of taxation in Canada. Every non-railway worker is bearing a large part of this load.

The excessive weight of taxation retards economic development and industrial expansion and has a direct effect upon the security of employment of all workers. If taxes were reduced through elimination of railway deficits those who are unemployed would have much better chances of getting jobs, and those who are employed would be much surer of keeping their jobs and getting better wages.

The suggestion of some of the unions that railway problem might be solved by increasing freight and passenger rates is unsound. Canadians would simply pay a larger sum annually to operate an uneconomic railway structure.

Low transportation costs are essential to Canada as an export nation. The Canadian Brotherhood of Railway Employees recognizes "the whole Canadian economy has been adjusted to a low freight rate structure" and that increased freight rates would probably dislocate industry generally and perhaps ruin some. Such action would adversely affect the welfare of employees of all industries.

It is time railway employees, in their own interest recognized that some adjustment of the railway situation is necessary. In fact, it is to their advantage to give a measure of help in solving the railway problem. Joseph B. Eastman, co-ordinator of transportation in United States, said recently:

"The doubt which I have is whether they (labor) appreciate fully how radically transportation conditions have changed, and whether they have considered sufficiently the wisdom, from the standpoint of their own good, of long-established traditions, customs, practices and policies, in view of these changed conditions. After all, it is the future of the railway industry which is of the most vital importance, not only to the country, but to the employees. Their welfare demands that they be connected with an industry which is thriving and growing, and not one which is static, if not decadent.

"It is quite clear, it seems to me, that if the railway industry is to thrive and grow in the future, it must go through a period of readjustment, painful though it may be for a time. The employees may well consider how best they can help that process in their own self-interest. Employees along with the security holders and shippers and the Government must put their shoulders to the wheel. On the other hand, if all these interests continue to divide themselves into warring camps they most certainly will bring ruin to the industry."

## Little Difference Between Parties

THE difference between the Conservative and Liberal parties is now chiefly over tariff policy, says the Winnipeg Free Press, unable to find any other clearly defined issue on a subject of importance. The Free Press adds:

"While the Liberal party has not fulfilled its tariff pledge, it has made substantial reductions and is doubtless making further reductions in the new trade agreement with the United States, such as the Conservative party would never make."

This is a fair enough comment. Yet it must be remembered that the two major contributions by Canada to the lowering of world tariff barriers were the Ottawa agreement of 1932 and the United States reciprocal agreement of 1935. The first was negotiated and concluded under a Conservative prime minister. The second was negotiated and practically concluded before the Liberals came into power.

## The Next War — on Paper

IT WILL never be practicable again to send a great Canadian army overseas, is a view expressed by the St. Catharines Standard.

There is much good military opinion to support the view that the next war in Europe will be over before a Canadian army could be assembled, much less sent abroad.

But forecasts as to what will happen in another war are hazardous. The Abyssinian, Spanish and Chinese campaigns have all proved the experts to be wrong in their forecasts of what would happen and how it would happen.

Most of the military experts would have offered odds of 20 to one that the war of 1914 would have been over by Christmas.

The May 21 mobilization of troops by Czechoslovakia that led to Reichswehr officers putting a restraining hand on Hitler, showed that sheer weight of man-power counts for much against scientific methods of death-dealing.

## Taxation and Democracy

THE current issue of the London Economist contains a searching study of the long-term problem of the British budget by a group of economists.

It outlines a number of grave considerations which must be faced in order to achieve a balance between "social progress and reform" on the one hand and "economic productivity" on the other.

With Canadian taxpayers now paying the largest tax bills since Confederation, the discussion is of wide interest in this country.

All democratic countries have been facing since the beginning of the century an increase in civil expenditures. Men in government assume that this will continue. How can the increases be met?

In Britain, the long-term prospect is that rising governmental costs will converge with stationary national income and taxable capacity. In Canada the problem is aggravated by a widely fluctuating national income which may shrink as much as 50 per cent within a year or two.

The British survey emphasizes this fact: That greatest possible production of goods and services is more necessary today than ever before, if social progress is to be maintained.

This means constant examination of taxation and of commercial and economic policy to ensure everything possible being done to lessen the restrictions upon, and to increase the incentives to, productive enterprise.

The Dunning budget accepted this principle in regard to the building industry by removing the sales tax in certain materials and by other aids. Yet if this is sound for one group, is it not obvious, as Hon. Earl Lawson said in reply, "that a reduction in the sales tax would be a boon to industry in general."

Taxation in Canada has reached the point where the problem is of grave national importance. It is a challenge to democratic institutions.

For unless a solution is found to the rising tide of governmental expenditure, consideration will inevitably be given to the idea that the only practical method of simultaneously increasing national income and diverting a larger share of it to the coffers of the State is some form of dictatorship.

## Editorials in Brief

**We see** a reference to "Franco-Italian" tension. But this is another breed of Franco.

* * *

**Our idea** of a happy motorist is a western farmer who, after nine years of drought, gets his car bogged in a mud-hole.

* * *

**If Loch Ness** were in Canada and not in Scotland we would know that the "monster" is the fish we had hooked last week end and that got away with our line and tackle.

* * *

**Douglas Reed**, who wrote "Insanity Fair," a bitter denunciation of Hitlerism, writes for the Spectator an article in which he tries to discuss what's good in Germany. He gives Hitler credit for providing the people with cheap motor cars.

In Canada people have had cheap motor cars for a generation.

* * *

**Dr. Manion** might take for his text as he begins the work of national Conservative leader, the tenth verse of the 28th chapter of Chronicles I.

"Take heed now; for the Lord hath chosen thee to build an house for the sanctuary: be strong and do it."

The exhortation was given to Solomon by his father, David, when he was being chosen to build the sanctuary for the Ark of the Covenant.

* * *

**Britain** is now spending 8% of the national income on defense. About 4.5% of the national income goes to meet interest on the national debt, largely created in previous wars.

A major proportion of present defense expenditures is being paid out of taxation but nevertheless it is planned to borrow around $2 billions for defense.

The "rearmament boom" is a trifling offset to expenditures on such a colossal scale. They must result in a lower standard of living for both "classes" and "masses."

* * *

**The Halifax Herald** tells of a tourist party who entered a Nova Scotia restaurant and could not get fish. They finally ate ham that had been brought a thousand miles to the city.

This is sheer stupidity. Each area should organize its hotels and restaurants to emphasize local foods. Tourists will come many miles to taste them.

But the Halifax restaurant is not alone. In Maryland, we tried unsuccessfully in a dozen eating places to get fried chicken. In Panama, we were served roast pork and boiled beets. In Jamaica, we drank imported coffee.

* * *

**Recently in referring** to University of Toronto's plan to introduce a graduate course in business administration we said that it would be the only one of its kind in Canada and would lead to the Master of Commerce degree.

The statement was correct. But it is perhaps only fair to add that University of Western Ontario has had a regular, undergraduate school of business administration for some years.

* * *

"Only last Monday, the Montreal Gazette suggested that the new Conservative platform should include the merging of the railways. Months previously, The Financial Post suggested that the Conservative party should adopt a policy of debt reduction which would include, necessarily, a solution of the railway problem. And The Post's solution has been amalgamation."—*Winnipeg Free Press.*

**No. To put it** plainly, The Financial Post will accept any business-like, promising solution for the railway problem. The Financial Post is neither FOR amalgamation nor AGAINST amalgamation. Like most businessmen and tax-conscious citizens it would like to see parliamentarians and newspaper editors approach the problem with open, rather than closed minds, ready to discuss any or all possible solutions.

* * *

**Among the pieces** of mail matter carried by Imperial Airways' papoose "Mercury," on her history-making trip across the Atlantic last week, was a parcel from the London, Eng., office of The Financial Post to the Toronto office. Accompanying it was a letter from Donald F. Hunter, manager of The MacLean Publishing Company's London office to Horace T. Hunter, president of the company in Toronto.

The parcel left London on Wednesday evening, reached Montreal on Thursday and was shipped by express to Toronto, arriving at its destination Friday morning.

Within a short term such almost incredibly speedy delivery will be a matter of daily routine.

## Sayings of the Week

"If finance would get out of government and government would get out of business everything would go again."—*Henry Ford.*

* * *

"I have the very gravest doubt whether by acts of all the legislatures you can change the constitution of this country."—*Rt. Hon. R. B. Bennett.*

* * *

"You get out of your career, just as you get out of life, what you put into it. If a singer is unsuccessful it is largely his or her fault."—*Carmela Ponselle.*

* * *

"I earnestly hope the demand for capital, for business, will soon be so great that we shall have to pay more than 3.07 per cent on 20-year loans."—*Rt. Hon. Arthur Meighen.*

* * *

"I know what it will mean to thousands of artisans in this country to know that for the first year there will be no tax bill with respect to municipal and school taxes on that house."—*Hon. C. A. Dunning.*

* * *

"We are prepared to join with other nations in moving resolutely toward bringing about an effective agreement on limitation and progressive reduction of armaments."—*Hon. Cordell Hull, U. S. Secretary of State.*

* * *

"If we desire to do away with patronage in the provincial sphere and expect as a Parliament to have any influence in this direction we shall have to make first a definite clean-up of our own House."—*Angus MacInnis, M.P.*

—*Cartoon by Grassick.*

SCAPEGOATS

# Post-Scripts . . . .

### *Macy's to Hunt's*

About the time the cracker barrel was deposed by Cellophane in the merchandising world, a new and startling proposition was advanced by shopkeepers. Not from any new-found altruism, but from proof that greater courtesy to the customer resulted in increased profits, came the marketing slogan, "The customer is always right."

This principle is basic in the business creed of Frank F. Banting, new vice-president and director of Hunt's Ltd., and former executive vice-president of R. H. Macy & Co., New York. With him the theory has been substantiated by 18 years of experience with one of the foremost departmental store organizations on the continent. It may be considered as the policy which he will vigorously pursue in the Canadian chain store confectionery organization.

F. F. BANTING

Mr. Banting is a soft-spoken individual, with a friendly smile and much candor.

To one question, which he must find tiresome, he answers "yes." He is a first cousin of Sir Frederick, co-discoverer of insulin and famous research worker.

Although Mr. Banting's university education and business experience were received entirely in the United States, he was born in Woodstock, Ont., and attended public school and collegiate there.

Leaving Canada at the age of 17, he went to the University of Wisconsin School of Commerce. After graduation he taught school for four years, two of them as principal. In 1917 Captain Banting joined the A. E. F.

Returning from overseas, Mr. Banting attended Columbia School of Business for one year of post graduate studies. On Feb. 2, 1920, he entered R. H. Macy & Co. as a member of the training school staff to lecture college-educated employees of the company.

In the Macy organization capable employees move through a methodical and gruelling promotion programme, in the belief that highly-placed executives should have a thorough knowledge of as many departments and phases of the company as possible. The policies and general methods of administration are held as more important than an extensive knowledge of the particular goods which the department sells.

Mr. Banting took several promotions in his stride—teaching, planning, department management—and eventually on Aug. 1, 1930, became divisional merchandising manager of L. Bamberger's, Newark, N.J., fourth largest department store in the U. S. and a division of R. H. Macy & Co.

In 1933 Mr. Banting was appointed executive vice-president of Macy's, a position which he held until his resignation on Feb. 1, 1938.

* * *

Now Hunt's Ltd. has a new director and vice-president whose knowledge of merchandising comes from what Mr. Banting declares to be "the foremost departmental stores on the continent."

The possibilities of making money in new retail merchandising ventures have not yet been exhausted, he thinks. He cites a number of organizations lagging in modernizing their methods, and draws some interesting comparisons between other concerns and their operations.

Mr. Banting has entered into his Canadian career with a great deal of enthusiasm. And finally, he maintains, right or wrong, the customer is always right.

* * *

### *Veteran Warehouse*

Some time ago we told in this column about the exciting job undertaken during the war by James S. Duncan, now vice-president and general manager of the Massey-Harris Company. He was attached to the company's Paris branch and was sent to Arras to remove, under shell fire, a number of mowers and reapers that had been stored in the company's warehouse there.

In the French village at the Canadian Corps Reunion in Toronto this week the old shell-torn warehouse has been duplicated, complete with crumpled brickwork, broken timbers and shell-wrecked binder.

The company's house organ, describing the exhibit at the veterans' reunion, says:

"This war-scarred building was a familiar sight to many members of the overseas Canadian troops and just as in those days the sight of the well-known name Massey-Harris on its walls called to mind memories of the homeland so when the veterans gather to relive old battles will the ruins of this building start many a war-time reminiscence.

"Under the direction of Mr. J. S. Duncan, vice-president and general manager of the company, who was at that time with the Paris branch, one hundred and fifty binders, and a large number of mowers and reapers were recovered from this building in 1918 for use on the farms in France. Being only a few hundred yards from the front line, the work had to be done at night under the hazards of warfare, two members of the party being killed and several wounded."

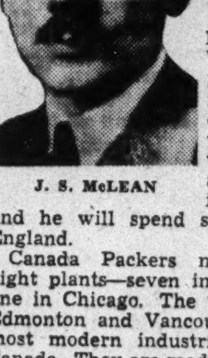
* * *

### *McLean's New Plant*

This week Premier Pattullo of British Columbia opened the new plant of Canada Packers in Vancouver. It is just about two years since Premier Aberhart of Alberta opened a new plant for the same company in Edmonton.

J. S. McLean, president of the company, went from Toronto to Vancouver for the ceremony.

Mr. McLean leaves Vancouver next week for a trip that will take him almost around the world. He is going to Australia for the British Commonwealth Relations Conference but will do some fishing in New Zealand en route. Where he will go after that is not fully decided. He will probably visit India and the Mediterranean and he will spend some time in England.



J. S. McLEAN

Canada Packers now operates eight plants—seven in Canada and one in Chicago. The two newest—Edmonton and Vancouver—are the most modern industrial plants in Canada. They are modern in design, too, as well as equipment. Eric R. Arthur, professor of architecture of University of Toronto, designed both. His Edmonton plant won him top award in the architectural show at Toronto Art Gallery. Yet the modern lines are not the result of an effort to go "moderne." They are the result of striving for simple functionalism.

Simple functionalism appeals to Mr. McLean. His annual reports to shareholders are a model of classic simplicity. Stripped of all technical verbiage they tell the story of the company's operations and its prospects in a readable style that tells everything and conceals nothing.

* * *

### *New Utility Chief*

Thomas Franklin Ahearn, M.P. for Ottawa West, has succeeded his father, the late Senator Thomas Ahearn, as head of the Ottawa Electric Railway Company. He has let it be known that he will not stand for re-election as member of Parliament.

Mr. Ahearn is a man who has never been content to be a rich man's son, to live on the outstanding reputation of a distinguished father. He is one of the hardest working and most popular businessmen in Ottawa. From boyhood he has shown himself capable of making his own way. That he will succeed to many of the high business posts held by his father, goes without saying. His record to date makes him eligible.

T. F. AHEARN

That he is retiring from political life is the result of his earnest conviction that he could not conduct both his business affairs and the affairs of his constituency without making one or the other suffer.

* * *

Frank Ahearn's career to date has been an interesting one. As a soldier, a businessman, and a politician, as well as a wholehearted supporter of clean sport, he has achieved no small measure of success.

In the war, he went to France as a lieutenant in the Mechanical Transport and was present at several of the hottest engagements in the early phases of the struggle.

His promotion to captain with the First Canadian Supply Column was won on merit. Wounded in 1916, he was invalided to Canada and became Orderly Officer to the Minister of Militia.

In business he is known for his clear judgment and ability to tackle difficult problems with courage and foresight. He usually takes an independent line of action.

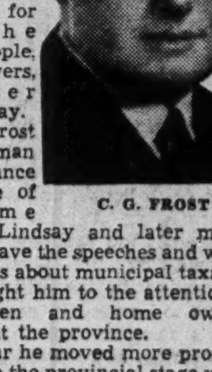
In sporting circles, 52-year-old Frank Ahearn enjoys the reputation of having put Ottawa on the hockey map. His reputation as a sportsman is international and he has directed both amateur and professional sporting activities.

Like his father, he is a cartoonist of ability. His son, Tommy, also has this trait to a marked degree.

* * *

### *Rising Politician*

Ontario Conservatives have selected as the president of their provincial association a young man who is an outspoken advocate of economy in public finance. That is something to talk about these days, when most people in politics think the way to get elected is to promise the people, as citizens, bountiful gifts, for which the same people, as taxpayers, will later have to pay.



C. G. FROST

Cecil Frost was chairman of the finance committee of his home town of Lindsay and later mayor when he gave the speeches and wrote the articles about municipal taxation that brought him to the attention of businessmen and home owners throughout the province.

Last year he moved more prominently on to the provincial stage when he was a contender for the provincial leadership and chairman of the campaign committee. We leave it to more politically-minded persons to tell the difference between the duties of the president of the provincial association, of the chairman of the provincial campaign committee and of the provincial leader. Mr. Frost has already had two of the jobs and may be heading for the third, which is a vehicle that is almost certain to carry its occupant in time to the premiership of Ontario.

Mr. Frost's excellent qualifications for public life are an inheritance from his father, W. S. Frost, the community-minded ex-mayor of Orillia and one of that town's most valuable citizens for two generations. At Orillia Collegiate Institute Cecil Frost was not as good a scholar as his brother, Leslie, who was then the bookish one in the family.

* * *

The two boys went off to war. They came home and finished their law courses in Toronto and settled down in Lindsay to practise law.

Practising law in a town like Lindsay seems to mean running a sort of chain store system. Up in Bobcaygeon the other night we saw a sign on an office, "Frost & Frost, barristers and solicitors. Office hours 7 to 9 every Tuesday," or something like that.

Leslie is in the provincial legislature. Cecil hasn't run for any such job but he is biding his time. In the meantime, he is making friends in high places and keeping himself in touch with national problems by study. But life is not all work with him. Tall and physically strong, he keeps fit by living an outdoor life a large part of the year. He is said to be a good bass fisherman. We read somewhere once that he shoots ducks in the fall on Emily Creek, which makes us hope that the reedy mouth of that creek lives up to its reputation as a duck marsh better than it does as a feeding ground for black bass. At least, if Cecil catches fish there, he's a better angler than we are.

Cecil Frost is probably the only man whose signature ever inspired an editorial in the austere Ottawa Citizen. It deserved it. All we would be able to make out of the epicycloid steganography of his signature would be "R. M. Steel," if it were not for the fact his worldly-wise stenographer always types the name out in full below it.

# As Others See Us . . .

**Onions For Newfoundland**
Blenheim News-Tribune

Even here in Kent county, Ontario, we are concerned somewhat with events in the country of Newfoundland. Nearly every fall several hundred bags of onions are shipped from the port of Erieau via tramp ocean steamers to the Atlantic seaboard island. But in spite of this connection, very few of us stop to think of the possibilities such a country possesses for becoming great in the future.

**Dominion Day on Monday**
Winnipeg Free Press.

If the Dominion Day holiday were changed from July 1 to the first Monday in July, it would doubtless meet with very general approval. The celebration on a Friday this year must have suggested to many the desirability of the change, which would make possible the greater enjoyment of a long week end.

The pleasure and healthfulness of the occasion would be increased for a great number of people if it were on a Monday, enabling them to spend the long week end in our ideal vacation fields where the woods and water are always calling, or to make excursions across country to visit their friends.

The Financial Post regrets that, on the recent Dominion Day, while some employers closed their plants of offices on the Saturday morning, "in thousands of retail, commercial and industrial establishments, the Friday holiday was largely wasted because employees were forced to come back for a full or half day on Saturday." The Post strongly favors the first Monday in July for the celebration of Dominion Day, and one of its reasons is that "it would permit equal opportunity and enjoyment for all."

For this particular holiday, we think, the argument is all in favor of the change.

**Wandering Holidays**
Montreal Gazette

Dominion Day this year fell on a Friday and was duly celebrated on that day. In a great many instances business firms closed their establishments from Thursday night to Monday morning rather than bring their staffs back for a half-day's work on Saturday morning, and a very large number of employees were able to take advantage of the long week end thus afforded. They were the envy of those less fortunate who, after enjoying a full holiday on Friday, were recalled to their posts on Saturday morning. The Financial Post of Toronto says that for the thousands of employees in retail, commercial and industrial establishments who were thus required to work a half day on Saturday, the Friday holiday was largely wasted, and from this fact The Post argues in favor of a fixed Dominion Day, preferably the first Monday in July. This, it thinks, will be a commonsense revision of present statutory legislation, will allow equal opportunity and enjoyment for all, and will still permit ample expression of loyalty to the ideals and memory of Confederation.

There is something in this proposal. Celebration of these holidays according to dates rather than to the convenience of the people may not be, as The Post describes it, an outworn fetish, but it is none the less a fact that as these holidays wander over the calendar the benefit of them tends to decrease. There seems no valid reason why a fixed Dominion Day, so selected as to give all employees and others enjoyment of a long week-end, will be less historically significant than adherence to the present first of July. The more the holiday means to the public in pleasurable recreation, the more, conceivably, it may mean to them from the standpoint of commemoration.

**Good Will**
Watrous (Sask.), Manitou.

On the face of things, it is pretty evident that farm machinery has played a very important part in the development of the wheat industry in western Canada.

Therefore, as farmer needs modern implements to make his operations financially successful, and as the implement manufacturers are dependent on the purchasing power, as well as the goodwill, of the farmer, it would seem that happy relations between them would work out to their mutual advantage.

However, it has suited politicians to make the tariff an excuse for dividing urban and rural factions on election day, and so the impression has been fostered that the farm implement people are trying to squeeze the last dollar out of the grain growers. At the same time the farmers have been encouraged to vote against any form of protection for the implement industry and to put the bills of the implement houses well down toward the bottom of accumulated obligations. It is with considerable satisfaction, then, we note that there are some exceptions to the rule, says The Financial Post, and we find C. W. Peterson, publisher of The Farm and Ranch Review, Calgary, and a practical farmer of long experience, congratulating the Massey-Harris Co. Ltd. on a series of advertising messages telling the farmers something about the company as an institution apart from the commercial aspect. This appeals to Mr. Peterson as sound and intelligent goodwill publicity, and he points out that he bought his first wagon in the old days from the Harris people in Winnipeg, Mr. Harris himself selling it to him; his first binder was an Osborne, which he thinks was made by the Massey firm. And that was half a century ago.

A concern like the Massey-Harris Company, which has been serving the great basic agricultural industry for so many years, should have nothing to lose and much to gain in putting its story before the public. There are many other businesses in Canada likewise misunderstood in their functions in serving the public which might well follow the example.

# Stop Me If . .

Bobby (short of money): "Say, Dad, have you any work you'd like me to do?"

Father (taken by surprise): "Why—no—but—er—."

Bobby: "Then how about putting me on relief?"

## Week in Business

# Jump in Carloadings Confirms Business Gain

### Freight Movement Spurts in Western Division as Good Crops Near Harvest — Expecting Big Summer Sale of Automobiles

Concrete evidence of business improvement in Canada this week is confirmed by carloading figures. Almost continuously from the beginning of the year until well into June this significant barometer of general business has been dropping. Recently there have been increasing signs of a change. Total for the year to date is still almost 10% below the same period in 1937, but with recent general recovery and the biggest wheat crop to move since 1932, there is now a good chance of catching up to last year's loadings, possibly of exceeding them.

Practically all recent gains have been made in the western division. Figures for the latest week are representative. These show a jump of 600 cars from the previous week for the whole of Canada, a gain for the western division alone of over 1,000 cars. Indeed. total loadings in that division actually exceeded the 1937 showing by 176 cars.

Significant of the western gain has been that in the miscellaneous group, up 700 cars from previous week, nearly a thousand from 1937. Undoubtedly this represents a growing movement of heavy goods westward —farm implements, automobiles, trucks, construction materials—in anticipation of good crop now almost ready for cutting.

* * * *

Sharp improvement in stock markets has already been reflected in car sales. July and August totals are expected to be the best for these months in years. Present moderate surplus of new cars, it is believed, will now be well cleaned up before the 1939 models are introduced next October. It is also expected that dealers will have little difficulty in moving accumulation of used cars. Stability in industrial employment and much greater purchasing power in western Canada this fall will likely result in many ancient cars being junked, much newer models replacing them.

* * *

From a business standpoint uncertainty is almost as much feared as actual loss of volume. Workers who believed that their jobs are in jeopardy are poor spenders. Manufacturers, expecting tariff changes, do not build new plants. For months the impending triangular trade agreements between United States, Canada and Great Britain have been hanging over the heads of general business. The recent budget, instead of clearing the air, actually by its avoidance of tariff changes increased the uncertainty.

Now there is evidence that this long suspense may soon be over. British trade negotiators, who have been in Washington since last February, are now reported getting trunks out of storage. Official announcement of some sort of treaty is predicted for next month.

## Business Indicators

**Canadian business steady** with D. B. S. weekly indicator holding about three points below the level of a year ago.

**Railways** — Gross earnings up substantially for third week in July and now running within striking distance of a year ago. Carloadings up 600 cars to approximately 44,000.

**Iron and steel** production in June off about 6% from a year ago, but cumulative for first half of year only down slightly.

**Automobile production** in June down about a third, cumulative off 20%. Exports off in June, but total first six months ahead of 1937. Financing of new cars in June off substantially from last year, but little change in used vehicles.

**Sea fisheries**—First six months catch slightly larger but value less.

**Oil production** in June and cumulative almost three times a year ago, practically all from Turner Valley. Imports dropping slightly.

**Bank debits** in June down 6%, to date this year down about 20%.

**Life insurance** sales off 7½% in June but cumulative almost equal to a year ago.

**Current trend** in Canadian business is shown by The Financial Post index of business activity, with new figures for the week marked thus ▲.

| | | | | | |
|---|---|---|---|---|---|
| | July 16 | July 9 | July 2 | June 25 | July 17/37 |
| Weekly index, D.B.S. | 108.3 | 108.8 | 109.1 | 106.0 | 111.0 |
| Commodity prices | 79.2 | 79.1 | 79.9 | 80.4 | 87.7 |
| | June | May | Apr. | Mar. | Year Ago |
| Financial Post index | 109.6 | 110.5 | 109.0 | 108.9 | 124.0 |
| Retail trade index no. of sales | .... | 76.5 | 76.2 | 77.9 | 78.9 |
| Dept. store sales " | 74.5 | 73.4 | 75.8 | 75.5 | 77.5 |
| Wholesale index no. of sales | .... | 95.6 | 89.4 | 87.8 | 95.6 |
| Country sales (% of gains) | ... | *2.2 | 5.5 | 0.5 | 8.9 |
| **Employment D.B.S. Index—** | | | | | |
| | June 1 | May 1 | Apr. 1 | Mar. 1 | Year Ago |
| All industries | 111.9 | 107.4 | 105.0 | 107.8 | 114.3 |
| Manufacturing | 112.3 | 110.6 | 110.8 | 110.5 | 117.9 |
| Living costs§ | $17.43 | $17.36 | $17.48 | $17.39 | $17.20 |

| | | | Jan. 1 to date | |
|---|---|---|---|---|
| **Railways—** | 1938 | 1937 | 1938 | 1937 |
| Carloadings, week (July 16) | ▲43,918 | 49,858 | 1,223,883 | 1,336,385 |
| C.N.R. gr. earn., wk. (July 21) | $ ▲3,296,205 | $ 3,704,383 | $ 92,203,346 | $ 105,978,562 |
| C.P.R. gr. earn., wk. (July) 21) | $ ▲2,519,000 | $ 2,688,000 | $ 68,626,000 | $ 74,789,000 |
| C.P.R. net revenue (May) | $ 422,118 | $ 1,574,219 | $ 2,169,620 | $ 7,065,042 |
| C.N.R. net revenue (May) | $ •478,614 | $ 1,666,250 | $ •4,909,400 | $ 6,232,761 |
| **Iron and Steel (June)—** | | | | |
| Pig iron production (tons) | ▲64,375 | 78,278 | 404,158 | 423,944 |
| Steel ingots and castings prod. (tons) | ▲109,000 | 118,744 | 670,340 | 713,177 |
| **Automobiles (Number)—** | | | | |
| Passenger Cars: | | | | |
| Domestic sales* (May) | 14,157 | 16,944 | 51,788 | 62,282 |
| Factory output (June) | ▲11,014 | 17,919 | 76,102 | 97,563 |
| Trucks and Buses: | | | | |
| Domestic sales* (May) | 3,820 | 4,099 | 13,196 | 14,119 |
| Factory output (June) | ▲3,718 | 5,922 | 25,056 | 31,008 |
| Exports (June) | ▲5,795 | 6,809 | 34,960 | 34,487 |
| Financing (June)— | | | | |
| Used | $ ▲4,395,803 | $ 4,690,985 | $ 19,471,095 | $ 19,226,543 |
| New | $ ▲3,771,236 | $ 5,746,656 | $ 20,045,660 | $ 23,718,278 |
| **Construction—** | | | | |
| Production— | | | | |
| Cons. contracts (June) | $ 20,928,100 | $ 30,369,600 | $ 80,655,200 | $ 110,375,800 |
| Cement, bbls. (April) | 364,096 | 371,839 | 873,104 | 780,029 |
| Clay (April) | 264,689 | 289,272 | 755,737 | 730,664 |
| Gypsum, tons (May) | 110,515 | 113,570 | 178,673 | 215,930 |
| **Agriculture—** | | | | |
| Flour prod., bbls. (May) | 977,740 | 900,288 | 4,541,922 | 5,058,620 |
| Flour exp., bbls. (June) | 299,503 | 389,995 | 1,651,331 | 2,076,707 |
| Wheat exp., bus. (June) | 7,275,376 | 12,180,068 | 25,783,861 | 43,724,035 |
| Cattle sales (May) | 59,824 | 54,304 | 273,523 | 295,522 |
| Hog sales (May) | 59,396 | 79,135 | 320,651 | 439,876 |
| **Sea Fisheries (June)—‡** | | | | |
| Catch, cwts. | ▲847,490 | 759,940 | 3,108,615 | 3,072,143 |
| Landed value | $ ▲2,110,240 | $ 2,063,670 | $ 6,079,732 | $ 6,741,348 |
| **Newsprint (tons)—** | | | | |
| Production (June) | 201,694 | 312,165 | 1,259,871 | 1,787,760 |
| Exports (June) | 194,520 | 306,645 | 1,103,286 | 1,631,583 |
| **Mining and Oils—** | | | | |
| Coal prod., tons (May) | 1,017,337 | 1,077,669 | 5,967,907 | 5,958,415 |
| Coal imports, tons (May) | 1,351,193 | 1,702,528 | 3,368,947 | 4,303,066 |
| Gold prod., fine oz. (May) | 381,069 | 340,125 | 1,827,475 | 1,628,356 |
| Nickel prod., lb. (May) | 18,620,908 | 18,462,389 | 92,667,972 | 90,426,601 |
| Copper prod., lb (May) | 48,429,331 | 41,561,784 | 243,558,959 | 201,055,674 |
| Crude pet. prod., bbls. (May) | ▲566,086 | 192,845 | 2,381,771 | 852,500 |
| Crude pet. imp. bbls. (June) | ▲3,931,465 | 4,461,568 | 13,451,461 | 14,364,284 |
| **Electric Power Output (May)—** | | | | |
| Total monthly m.k.h.† | 2,081,935 | 2,301,167 | 10,741,884 | 11,500,794 |
| **Trade—** | | | | |
| Imports (June) | $ ▲58,946,698 | $ 75,668,684 | $ 336,692,235 | $ 380,815,689 |
| Exports (June) | $ 78,307,834 | $ 115,297,643 | $ 415,679,647 | $ 536,274,975 |
| **Other Industrial Factors—** | | | | |
| Dressed lumber, exp.: | | | | |
| M. bd. ft. (June) | 166,177 | 182,191 | 756,092 | 862,634 |
| Boot & shoe prod., pr. (May) | 1,923,773 | 2,239,211 | 9,232,083 | 10,257,149 |
| Cotton, raw, imports lb. (May) | 3,605,041 | 8,679,224 | 46,305,322 | 60,073,701 |
| Raw rubber imp., lb. (June) | ▲7,264,134 | 8,488,643 | 25,345,508 | 33,327,190 |
| Cigarette cons. (June) No.† | 631,524 | 628,744 | 3,231,858 | 3,055,861 |
| Sugar manufactured, lb.§ | 94,408,309 | 65,774,505 | 283,874,458 | 275,509,721 |
| **Finance—** | | | | |
| Bank debits (June) | $ ▲2,730,578 | $ 2,891,917 | $ 14,585,068 | $ 18,186,008 |
| Bond sales (June) | $ 65,510,687 | $ 104,300,184 | $ 625,852,237 | $ 719,382,690 |
| Life insurance (June) | $ ▲35,120,000 | $ 37,700,000 | $ 190,049,000 | $ 193,116,000 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to May 21, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
§For average family per week, food. fuel. rent. •Deficit. *Decrease.

*We offer*

**McColl-Frontenac Oil Company Limited**

**4¼%**

**First Mortgage and Collateral Trust Bonds**

Maturing October 1, 1949

Price: 100 and interest yielding 4.25%

Denominations — $1,000 and $500

We shall be glad to look after orders for cash or for conversion from the present 6% Bonds which are to be redeemed. Telephone or telegraph at our expense.

**McLEOD, YOUNG, WEIR & CO.**
LIMITED
Metropolitan Building, Toronto
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# Coast Lumber Takes a Dip

### B. C. Looks to Prairie Trade to Help Fall Business

**From Our Own Correspondent**

VANCOUVER. — If British Columbia maintains the same pace in export of lumber overseas during the second half of 1938 that she set in the first half, a new record may be established. Figures issued by the Pacific Lumber Inspection Bureau show that during the January-June period, 1938, nearly 517,000,000 feet of lumber was exported. This would be at the rate of almost 1,034,000,000 feet for the full year, compared with 1,042,954,000 for 1936, when the all-time high was achieved. Last year waterborne shipments were just under the billion mark.

Unfortunately, June's shipments gave an indication of what may be the experience of the industry for several months, registering a substantial decline since May. Total waterborne cargoes from B. C. were 78,500,000 in June, compared with 102,000,000 feet in May, 82,000,000 in April and 89,000,000 in March.

Since the British Isles dominate the offshore market, it was to be expected that deliveries to the United Kingdom would be considerably less in June; they were, to the extent of about 23,000,000 feet. Of the total of 78,500,000 feet shipped last month, the U. K. accounted for 53,796,000 feet.

Uncertainty still shrouds the lumber industry. The brightest prospect continues to be the prairie trade this fall in view of the favorable crop conditions.

## Commodities

Prices continue to strengthen but the rise has not been uniform, nor is it expected to be until new crop influence in cotton and wheat becomes stabilized. Industrial items like rubber and copper continue very firm as further surveys confirm hitherto largely unsuspected declines in inventories.

Undoubtedly recent bargain days in the general run of commodities are over though observers are not convinced that sensitive items like wheat, cattle hides and possibly cotton are going to hold present levels. Purchasing agents continue to preach caution pointing out that the present firm movement so far indicates selective rather than general strength.

Recent price changes have been as follows:

**Price Range**

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $7.50 | $8.00 | $9.50 |
| Hogs | 13.00 | 12.75 | 10.65 |
| Copper, lb. | .09⅞ | .0975 | .14 |
| Cotton, lb. | .0892 | .0864 | .1172 |
| Rubber, lb. | .1580 | .1496 | .1840 |
| Sugar, raw, lb. | .0282 | .0285 | .0342 |
| Silk, lb. | 1.85½ | 1.85½ | 1.98½ |
| Wheat, Man. (bus.) | 1.00 | .98⅛ | 1.39⅝ |
| Coffee, lb. | .04⅞ | .04⅞ | .09⅝ |
| Hides | .11¼ | .11 | .17½ |

**Weekly Indices**

| | | | |
|---|---|---|---|
| Canada (D.B.S.) | 79.2 | 79.1 | 87.7 |
| Do., Wood, Gundy | 57.8 | 57.9 | 83.4 |
| U. S. Labor | 78.9 | 78.3 | 87.8 |
| Dow Jones (future) | 49.89 | 49.95 | 68.95 |
| Crumps (Brit.) | 73.7 | 73.3 | 83.7 |
| Fishers' | 81.5 | 81.7 | 92.3 |

**Monthly Indices**

| | Latest month | Prev. month | Same last year |
|---|---|---|---|
| Canada (D.B.S.) | | | |
| Retail (June) | 84.1 | 84.2 | 82.9 |
| W'sale (June) | 80.1 | 80.3 | 84.6 |
| U. S. (Apr.) | 78.7 | 79.7 | 88.0 |
| Gt. Brit. (Apr.) | 103.1 | 104.1 | 108.9 |

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

## Foreign Business

United States Department of Commerce summarizes foreign trade as follows:

**Japan**—Business remains sluggish following the announcement of additional consumption restrictions and extension of price control to new commodities; foreign trade continues to decline with curtailment especially great in the import movement.

**China**—Shanghai's import movement in June increased slightly over May and exports increased considerably; Chinese establishments in Shanghai and other parts of Eastern China occupied by Japan will be operated by the Japanese if Chinese owners are reluctant to operate under joint management.

**Honduras**—Aside from larger shipments of logs and citrus fruit from La Ceiba, no recent improvement recorded.

**Jamaica**—Interruption of import and export movements during part of June by several small strikes prevented favorable factors from exerting their full influence.

**Yugoslavia**—Foreign trade continues to show a rise in imports and a drop in exports as compared with last year.

**Latvia**—The outlook is for a less prosperous year than in 1937, with exports declining more than seasonally.

## Foreign Exchange

Foreign exchange rates have been somewhat steadier in terms of United dollars. This steadiness has been attributed largely to more settled conditions in Europe and Asia. The passing of the Sudeten crisis in Europe and easing of the tension between Russia and Japan saw a strengthening in sterling and the currencies allied to it.

On Monday the pound opened slightly under the close of the previous Saturday but strengthened during the day.

**AT TORONTO AND MONTREAL**

| U. S. Dollar | High | Low |
|---|---|---|
| July 23 | 1.00$\frac{1}{16}$ | 1.00$\frac{1}{16}$ |
| July 22 | 1.00$\frac{3}{32}$ | 1.00$\frac{1}{16}$ |
| July 21 | 1.00$\frac{3}{32}$ | 1.00$\frac{1}{16}$ |
| July 20 | 1.00$\frac{3}{32}$ | 1.00$\frac{1}{16}$ |
| July 19 | 1.00$\frac{3}{32}$ | 1.00⅝ |
| July 18 | 1.00$\frac{1}{16}$ | 1.00½ |

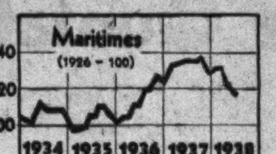
| U. K. Pound | Closing | Last Year |
|---|---|---|
| July 23 | 4.93¾ | 4.97½ |
| July 22 | 4.93⅜ | 4.99 |
| July 21 | 4.93¾ | 4.99¼ |
| July 20 | 4.93⅝ | 4.99¼ |
| July 19 | 4.93⅝ | 4.98⅛ |
| July 18 | 4.94⅛ | 4.98¼ |

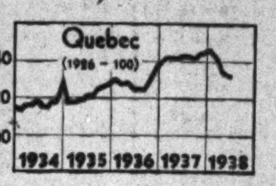
**Other Currencies, July 23**

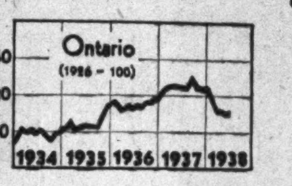
| | | | |
|---|---|---|---|
| Australia | 3.95⅜ | Italy | .0527¾ |
| Belgium | .1696¾ | Japan | .2879 |
| Czecho. | .0346½ | Jugoslavia | .0235⅛ |
| Denmark | .2205¼ | N. Zealand | 3.98⅞ |
| France | .0277⅛ | Norway | .2482 |
| Germany | .4029¼ | S. Africa | 4.92⅞ |
| Greece | .00907⅞ | Sweden | .2546⅝ |
| Holland | .5515⅞ | Switzerland | .2297⅛ |
| Hungary | .1985½ | Hong Kong | .3067⅝ |
| India | .3690⅝ | | |

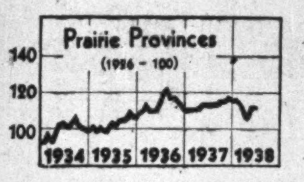
# Mid-year Business Down

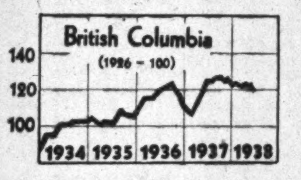
Most of the five economic areas of Canada reported business at lower levels for the end of June. Recent sharp pick up in security markets had hardly begun to register and was insufficient to offset substantial declines in export trade.




| | June, 1938 | Change June, 1937 % | May, 1938 |
|---|---|---|---|
| **Maritimes:** | | | |
| Construct. contr. $ | 4,127,000 | +146.2 | 2,196,000 |
| Bldg. permits .. $ | 386,000 | +53.8 | 301,000 |
| Life ins. sales $000 | 2,354 | —11.4 | 2,151 |
| Bank debits $000,000 | 55.3 | —6.1 | 53.2 |
| Electric power kw.h. 000 | 74,000 | —6.3 | 68,000 |
| Employment* | 116.7 | —14.1 | 110.9 |
| Shipping .... tons | 326,314 | —7.7 | 348,058 |
| Exports ........ $ | 7,726,630 | +23.3 | 12,683,956 |
| Index | 118.5 | —11.1 | 120.7 |
| **Quebec:** | | | |
| Construct. contr. $ | 5,487,000 | —32.2 | 6,175,000 |
| Bldg. permits .. $ | 999,000 | —23.2 | 1,248,000 |
| Life ins. sales $000 | 8,938 | —19.7 | 8,131 |
| Bank debits $000,000 | 906 | +2.7 | 801 |
| Electric power kw.h. 000 | 1,019,000 | —13.6 | 1,064,000 |
| Employment* | 119.9 | +1.6 | 120.4 |
| Cotton cons. .. lb. | 9,006,690 | —31.8 | 9,404,226 |
| Newsprint prod., tons | 201,694 | —35.1 | 207,680 |
| Index | 131.9 | —7.8 | 135.0 |
| **Ontario:** | | | |
| Construct. contr. $ | 9,301,000 | —45.7 | 7,960,000 |
| Bldg. permits .. $ | 2,645,000 | —5.8 | 2,728,000 |
| Life ins. sales $000 | 16,246 | +1.8 | 13,264 |
| Bank debits $000,000 | 1,303 | —5.6 | 1,116 |
| Electric power kw.h. 000 | 585,000 | —15.9 | 617,000 |
| Employment* | 114.0 | —6.7 | 112.5 |
| Livestock slaughterings* | 123.9 | —18.5 | 128.0 |
| Steel prod. .. tons | 109,401 | —7.9 | 114,958 |
| Auto prod. .. No. | 14,732 | —39.2 | 18,115 |
| Index | 111.1 | —12.0 | 111.0 |
| **Prairie Provinces:** | | | |
| Construc. contr. $ | 1,341,000 | —36.6 | 1,213,000 |
| Bldg. permits .. $ | 1,289,000 | +83.9 | 504,000 |
| Life ins. sales $000 | 4,439 | —3.1 | 3,896 |
| Bank debits $000,000 | 312 | —20.6 | 344 |
| Electric power kw.h. 000 | 147,000 | +0.7 | 169,000 |
| Employment* | 99.8 | —4.0 | 97.0 |
| Wheat receipts, bu. | 3,278,000 | —8.4 | 2,396,000 |
| Wheat prices‡ | 114/3 | —7.9 | 115/3 |
| Index | 110.4 | —3.7 | 110.8 |
| **British Columbia:** | | | |
| Construct. contr. $ | 673,000 | —50.0 | 1,046,000 |
| Bldg. permits .. $ | 1,243,000 | +30.6 | 1,794,000 |
| Life ins. sales $000 | 2,790 | —6.8 | 2,460 |
| Bank debits $000,000 | 154.1 | —12.3 | 147.4 |
| Electric power kw.h. 000 | 148,000 | —3.9 | 164,000 |
| Employment* | 108.0 | —7.8 | 105.1 |
| Exports ........ $ | 7,327,011 | —43.9 | 9,883,743 |
| Shipping .... tons | 963,364 | —1.4 | 921,133 |
| Index | 120.0 | —5.4 | 122.5 |

*1926=100.
‡Cents and eighths of a cent per bushel.

## Background of Business

### *Car Sales Ease*

New car sales in eastern Canada were down about 25% in June from a year ago, according to a survey by Canadian Automotive Trade. Quebec actually exceeded the record of June, 1937, but in Ontario, Nova Scotia and Prince Edward Island there was a considerable decrease. For the first six months of the current year total sales amounted to almost 51,000 as compared with slightly over 60,000 for the corresponding year of 1937.

By leading models there was no change in standing from a year ago.

**New Car Registrations (In Eastern Canada)**

| | June, 1938 | June, 1937 | Six Months 1938 | Six Months 1937 |
|---|---|---|---|---|
| Ontario | 5,234 | 8,497 | 29,545 | 36,917 |
| Quebec | 4,160 | 3,534 | 15,622 | 16,594 |
| N. Brunswick | 650 | 954 | 2,207 | 2,449 |
| Nova Scotia | 406 | 708 | 3,164 | 3,885 |
| P. E. I. | 49 | 126 | 271 | 590 |
| | 10,499 | 13,819 | 50,809 | 60,405 |

**New Passenger Car Registration (In Eastern Canada) (Leading Models)**

| | June, 1938 | June 1937 | Year to Date 1938 | Year to Date 1937 |
|---|---|---|---|---|
| Chevrolet | 1,971 | 2,799 | 9,263 | 11,651 |
| Ford | 1,836 | 2,416 | 10,707 | 12,010 |
| Dodge | 1,616 | 2,095 | 7,083 | 8,839 |
| Plymouth | 1,549 | 1,861 | 6,813 | 7,644 |
| Pontiac | 646 | 756 | 3,124 | 3,522 |
| McL.-Buick | 509 | 538 | 2,431 | 2,244 |
| Chrysler | 421 | 523 | 1,918 | 2,200 |
| Oldsmobile | 337 | 703 | 1,773 | 3,197 |
| Lafayette | 265 | 330 | 1,405 | 1,304 |
| Hudson | 234 | 90 | 1,024 | 344 |
| | 9,384 | 12,111 | 45,541 | 52,955 |

* * *

### *Japan May Buy More*

VANCOUVER.—Release of $200 millions in gold for the purpose of building up credits abroad by the Japanese Government may be diverted to some extent to Canadian industries.

Many of the goods most needed by Japan at present are available in British Columbia — lumber, pulp, copper and zinc.

Japan is buying copper in this market steadily and Japanese interests are at present preparing to open up the Tidewater copper mine on the west coast.

Purchases of lumber and pulp, however, have declined to such an extent that many mills have been shut down because of their dependence on the Japanese market. Establishment of new credits may make it possible for some of these to resume operation.

* * *

### *Radios in Villages*

An approximate index to the extent of radio installations in rural areas of Canada is embodied in the recent survey by the Bureau of Home Economics, U. S. Department of Agriculture, of radio ownership in American village homes. Check of 139 typical villages in different sections of the country revealed that radios have become an appurtenance of home life for 76% of the families surveyed in southern states, up to 92% on the Pacific Coast. With conditions corresponding in many respects to those in adjoining parts of Canada, the New England states reported percentage of 93%; prairie states (Dakotas, Col., Kan., Mont.), 85%; central-midwest region (Pa., Ohio, Mich., Wis., Ill., Iowa), 89%.

The same survey also disclosed that ownership and presumably use of pianos is still a noteworthy feature of village family activity.

**SECURITIES FOR INVESTMENT**

Suggestions for the purchase of government, municipal and corporation securities are made to suit the requirements of the individual investor. Consult any of our branches.

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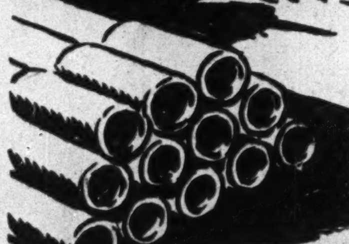


**UNDER TERRIFIC IMPACT, STRESS, WEAR, NICKEL ALLOYS STAND UP!**

"FISHING" for a broken drill pipe a few hundred feet down in the ground was a nerve-wracking job, with the whole crew standing idle. To prevent costly breakages, oil men have learned to take advantage of strong, tough Nickel Alloys.

Today, Nickel Steel cutters bite through the solid rock. Nickel Steel bit bodies stand up under constant shock and stress. Travelling blocks of Nickel Steel lift thousands of feet of drill stem weighing 100 tons or more to the surface. All parts subject to unusual strain, abrasion or corrosion are of Nickel Alloys. And in the refineries, where metals must operate at temperatures ranging from 70 degrees below zero to 2000 degrees above, at pressures up to 3000 pounds per square inch, and often under extremely corrosive conditions, Nickel Alloys are indispensable.

In opening up oil fields throughout the world, Canadian drillers have been the key men. Canadian Nickel has gone with them to speed their work and reduce overhead.

Nickel ore, lying dormant beneath Canada's Sudbury Basin, brings no wealth to Canada. But the mining, smelting and refining of this ore provides employment, directly and indirectly for thousands of Canadians. The sale of Nickel for peaceful industry the world over, brings a vast measure of prosperity to Canada.

NICKEL MONEL

**THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED**
25 KING STREET WEST, TORONTO

# STOCK AND BOND MARKET QUOTATIONS

## Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 25

| Range 1938 High | Low | Div Rate $ | Jly 23 Y'ld % | | Sales | Last July 18 | Week end. July 25 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **A** | | | | | |
| 4.75 | 1.00 | . | ... | Abitibi | 22917 | 4.00 | 4.25 | 3.75 | 3.87 |
| 29 | 8½ | , | ... | Do. pref. 6% | 5170 | 27 | 28½ | 26½ | 27½ |
| 38 | 25 | . | ... | Do. pref. 7% | 10 | 35 | 38 | 38 | 38 |
| 26 | 9 | .. | .. | Do. cert. dep. | .... | (26 July 8) | | | |

## Mining Stocks

## Oil Quotations

## Vancouver Stock Exchange

### Oil Stocks

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 26, 1938

| Public Utility Issues: | Int. Rate % | Due | Bid July 26 | Asked July 26 | Bid July 19 |
|---|---|---|---|---|---|
| †Assoc. Tel. & T. | 5½ | '55 | 76½ | 79½ | 77 |
| Beauharnois P. | 5 | '73 | 96 | 99 | 95 |
| B. C. Power | 4½ | '60 | 99½ | 102½ | 99½ |
| B. C. Tel. | 4½ | '61 | 105½ | 108½ | 105½ |
| †Calgary Pwr. | 5 | '60 | 98 | 101 | 98 |
| Do. | 5 | '64 | 96 | 99 | 95½ |
| †Can. Nor. Pwr. | 5 | '53 | 104½ | 107½ | 104½ |
| ‡Dom. Gas & El. | 6½ | '45 | 84 | 87 | 83½ |
| ‡Gatineau Pwr. | 5 | '56 | 103½ | 106½ | 103½ |
| Gt. Lakes Pwr. | 4½ | '56 | 95 | 98 | 95 |
| ‡Int. Hydro-E. | 6 | '44 | 74 | 77 | 72 |
| ▲Inter. Power | 6 | '55 | 100½ | 103½ | 100½ |
| †Macl'n-Que. Pr. | 5½ | '61 | 103½ | 106½ | 103 |
| Do. | 5½ | '64 | 102½ | 105½ | 102 |
| Mtl. L., H. & P. | 3½ | '56 | 102 | 105 | 102 |
| Do. | 3½ | '73 | 97 | 100 | 96½ |
| †Mtl. Tramways | 5 | '41 | 99½ | 102½ | 99½ |
| †Do. | 5 | '55 | 76 | ... | 76 |
| Nat. Lt. & Pwr. | 6 | '49 | 94 | 97 | 93 |
| N. S. Lt. & Pr. | 4 | '57 | 98 | 101 | 98 |
| †Ottawa V. Pwr. | 5½ | '70 | 105½ | 108½ | 105½ |
| †Power Corp. | 4½ | '59 | 100 | 103 | 99½ |
| Quebec Power. | 4 | '62 | 96½ | 99½ | 96½ |
| §Saguenay P., A | 4½ | '66 | 103 | 106 | 103½ |
| Do., B | 4½ | '66 | 103½ | 106½ | 104 |
| Shaw. W. & Pr. | 4 | '61 | 100 | 103 | 100½ |
| Union Gas | 4½ | '50 | 100 | 103 | 100 |
| Wpg. El. Ser. A | 4 | '65 | 65 | 68 | 64½ |
| **Industrial and Realty Issues:** | | | | | |
| †Abitibi P. & P. | 5 | '53 | 68 | 71 | 67½ |
| Acadia Sugar | 4½ | '55 | 101 | 104 | 101 |
| †Alta. Pa. Grain | 6 | '46 | 87 | 90 | 86 |
| Atlantic Sugar. | 4 | '51 | 99 | 102 | 99 |
| B. A. Oil | 4 | '45 | 103½ | 106½ | 103½ |
| †B. C. P. & Pap. | 5½ | '58 | 83½ | 86½ | 83½ |
| §Brown Co. | 5½ | '46 | 62 | 65 | 62½ |
| †Burns & Co. | 5 | '58 | 63 | 66 | 64 |
| Canada Bread | 6 | '41 | 107½ | 110½ | 107½ |
| Canada Cement | 4½ | '51 | 103 | 106 | 103 |
| Can. Paper | 4½ | '52 | 98 | 101 | 98 |
| Can. Steamship | 5 | '57 | 84 | 87 | 84 |
| Candn. Canners | 4 | '51 | 99½ | 102½ | 99 |
| ‡Can. Int. Paper | 6 | '49 | 97 | 100 | 94 |
| ‡Candn. Vickers | 6 | '47 | 99 | 102 | 97 |
| C. P. R. | 3½ | '51 | 87 | 90 | 88 |
| Do. | 4 | '49 | 91½ | 94½ | 92 |
| Do. | 4½ | '44 | 94½ | 97½ | 95 |
| Do. | 6 | '42 | 102½ | 105½ | 102½ |
| Do., debs. | 4 perp. | | 81 | 84 | 79½ |
| †Consol. Paper | 5½ | '61 | 52½ | 55½ | 52½ |
| Dom. Coal | 4½ | '52 | 101½ | 104½ | 102 |
| ▲Dom. Stl. & C. | 6½ | '55 | 105½ | 108½ | 105½ |
| Dom. Tar | 4½ | '51 | 100½ | 103½ | 100½ |
| †Donnacona P. | 4½ | '56 | 75½ | 78½ | 74½ |
| Famous Players | 4½ | '51 | 98 | 101 | 97½ |
| †Federal Grain | 6 | '49 | 93½ | 96½ | 92½ |
| †Fraser Cos. | 6 | '50 | 97 | 100 | 96 |
| Gen. Stl. Wares | 4½ | '52 | 93½ | 96½ | 93½ |
| ‡Great Lakes P. | 5 | '55 | 90 | 93 | 89½ |
| †Gypsum, Lime. | 5½ | '48 | 98 | 101 | *97 |
| Ham. By-Pr. C. | 5 | '55 | 100 | 103 | 100 |
| Inter-City Bak. | 5½ | '48 | 103 | 106 | 103 |
| ‡Inter. P. & P. Nfld. | 4½ | '68 | 100 | 103 | 100½ |
| Lake St. John P. & P. | 5½ | '61 | 90½ | 93½ | 90½ |
| Maple Leaf M. | 5½ | '49 | 50½ | 53½ | 50 |
| †Massey-Harris. | 5 | '47 | 99 | 102 | 99 |
| McCormick's | 4 | '52 | 80 | 83 | 78 |
| ‡M. & O. Paper | 6 | '45 | 40½ | 43½ | 41 |
| Nat. Grocers | 4 | '47 | 100 | 103 | 100 |
| †N. S. Stl. & C. | 5 | '59 | 97½ | 100½ | 94 |
| †Do., debs. | 6 | .. | 45½ | 48½ | 43 |
| Price Bros. | 5 | '57 | 97 | 100 | 94 |
| ‡Prov. Paper | 5½ | '47 | 101½ | 104½ | 101½ |
| Reliance Grain | 4½ | '52 | 93 | 96 | 93 |
| †Restigouche Co. | 6 | '48 | 95½ | 98½ | 95½ |
| Rolland Paper. | 4½ | '51 | 102½ | 105½ | 102½ |
| Simpsons Ltd. | 4½ | '51 | 98 | 101 | 97½ |
| Smith, Howard | 4½ | '51 | 103 | 106 | 103 |
| †Steel of Can. | 6 | '40 | 109 | 112 | 109 |
| ‡United Gas | 5½ | '48 | 102½ | 105½ | 102 |
| United Gr. Grs. | 5 | '48 | 93½ | 96½ | 95½ |
| †West. Grain | 6 | '49 | 49 | 52 | 48½ |

‡Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

## Winnipeg Stocks

(Transactions from July 18 to July 23)

| | Sales | High for period | Low for period | Close July 23 |
|---|---|---|---|---|
| Apex Moly'te | 6 | 40.00 | 40.00 | 40.00 |
| Central Man. | 6,000 | .04½ | .03½ | .03½ |
| D. Envelope, p. | 7 | 92.00 | 91.00 | 92.00 |
| Federal Grain, p. | 35 | 37.00 | 36.50 | 37.00 |
| Flin Flon | 9,000 | .05 | .04 | .04 |
| Gold Lake | 1,000 | .02 | .02 | .02 |
| Gt. Falls M. | 6,200 | .10 | .09 | .09 |
| Gurney Gold | 3,400 | .14 | .13 | .13½ |
| Island Lake | 1,000 | .02 | .02 | .02 |
| Knee Lake | 1,000 | .01½ | .01 | .01 |
| Malartic Gold | 100 | .50 | .50 | .50 |
| Ore Grande | 1,000 | .03½ | .03½ | .03½ |
| Monarch Life | 5 | 25.00 | 25.00 | 25.00 |
| Sachigo River | 81 | 16.75 | 16.37 | 16.50 |
| Star Lake | 7,000 | .01½ | .01 | .01½ |
| Sovereign Life | 25 | 12.00 | 12.00 | 12.00 |
| United Grain | 5 | 7.50 | 7.25 | 7.50 |
| Western Steel | 630 | 11.75 | 10.25 | 10.25 |
| Wingold | 1,000 | .03½ | .03½ | .03½ |

**Stocks Not Traded in During Week***

| | Bid | Asked |
|---|---|---|
| Beaver Fire Insurance | ... | 100 |
| Can. Indemnity | 125 | ... |
| Can. Airways | ... | 3½ |
| Nor. Mtge., part pd. | 2 | ... |
| Nor. Can. Mtge., p. | 3 | ... |
| Northern Trust | 6 | ... |
| Traders' Building | 81 | ... |
| Western Brew. | 1.80 | 2.50 |
| West. Grain, pref. | ... | 12 |

*Stocks more active on other exchanges not included.

## Investment Trusts

| | Bid | Asked |
|---|---|---|
| Can. Amer. Trust | 3.55 | 3.70 |
| Can. Inv. Fund, ex-div. | 3.95 | 4.30 |
| All Can. Trustee | 12.25 | 12.75 |
| Trans-Canada | 12.00 | 12.85 |
| Grouped Income | 4.90 | 5.45 |
| Can. Int. Tr., modified | 5.00 | 5.75 |
| Do., unmodified | 4.75 | 5.25 |

## Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 26, 1938

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Acadia Sugar, pfd. | 4.40 | 4.75 |
| Algoma Steel, com. | 13.50 | 14.25 |
| Do., pfd. | 67.00 | 70.00 |
| Andian National Corp. | 40.50 | 42.50 |
| Anglo Can. Tel., A | 8.40 | 9.00 |
| Barrymore Cloth, pfd. | 25.50 | 28.00 |
| B. C. Pulp & Paper, com. | 16.50 | 18.50 |
| Do., pfd. | 49.00 | 53.00 |
| B. C. Sugar | 81.00 | 84.00 |
| Burns & Co., A | 5.00 | 6.50 |
| Do., B | 2.25 | 3.00 |
| Can. Airways | 1.00 | 2.25 |
| Can. Industries, A com. | 215.00 | 222.00 |
| Can. Ingersoll Rand | 120.00 | 130.00 |
| Can. Tube & Steel, com. | 3.25 | 5.00 |
| Do., 1st pfd. | 63.00 | 67.00 |
| Chase, A. W., pfd. bonus | 26.00 | 27.50 |
| Claude Neon, pfd. | 5.00 | 7.00 |
| Cons. Sales Book, pfd. bon. | 80.00 | .... |
| Copeland Flour Units | 6.25 | .... |
| Corrugated Paper Box, com. | 2.25 | 3.50 |
| Do., rts. | 10.00 | 11.75 |
| Dominion Woollens, pfd. | 1.00 | 1.50 |
| Dunlop Tire, pfd. par $25. | 19.00 | 20.00 |
| Easy Washing Machine, pfd. | 7.50 | .... |
| Federal Grain, com. | 2.60 | 3.00 |
| Do., pfd. | 36.00 | 37.50 |
| Goderich Elevator | 6.25 | 7.00 |
| Guelph Carpet, pfd. | 103.00 | 105.00 |
| Do., com. | 19.00 | 20.50 |
| Hayes Steel Prod., com. | 6.00 | 7.00 |
| Do., pfd. | 7.00 | 8.50 |
| Highland Dairy, pfd. | 40.00 | 48.00 |
| Home & Indust. Bldg. Prod. | 3.35 | 3.75 |
| Kingston Shipbuild. Units | 9.00 | 10.50 |
| Loblaw Inc., pfd. bonus | 72.00 | 75.00 |
| Morrison Brass, pfd. bonus | 5.00 | 8.00 |
| Morrow Screw, pfd. bonus. | 95.00 | 99.00 |
| Mount Royal Hotel, pfd. | 3.25 | 4.00 |
| Neilson, Wm., pfd. | 98.50 | .... |
| New Brunswick Tel., com. | 12.00 | 13.00 |
| New Meth. Laund., pfd. bon. | 55.00 | 60.00 |
| Niag. Lower Arch Bridge, com. | 68.50 | .... |
| Paterson, Wm., pref. | 100.50 | .... |
| Provincial Paper, pfd. | 101.00 | 102.50 |
| Reliance Grain, pfd. | 58.00 | 61.00 |
| Rob. Consol. Cone | 8.25 | 8.80 |
| Ruddy, E. L., pfd. | 24.00 | 26.50 |
| Seal O Sac (Can.) | 3.00 | 4.00 |
| Standard Fuel, com. | 2.00 | 3.00 |
| Do., pfd. | 51.00 | 54.50 |
| Stedman Bros., pfd. par $50 | 53.50 | 55.00 |
| Supertest Pete., B pfd. | 27.50 | 30.00 |
| Toronto Carpet, com. | .... | 33.00 |
| Do., pfd. | 54.50 | 60.00 |
| United Farmers Co-op. | 3.00 | 4.00 |
| United Steel, A pfd. | 17.75 | 18.50 |
| Viceroy Mfg., pfd. & rts. | 21.00 | 23.00 |
| West. Grain, pfd. bonus | 10.50 | 12.00 |
| Western Steel Prod., com. | 10.25 | 11.00 |
| Weston (Geo.) Foods (Eng.) | 3.50 | 4.00 |
| Willards Choc., pfd. | 23.00 | .... |
| Wings Limited | .50 | .55 |
| **Trusts and Loan Stocks:** | | |
| British Mortgage | 140.00 | .... |
| Commercial Finance, com. | 2.65 | 3.00 |
| Guelph & Ont. Inv., par $50 | 50.00 | .... |
| London & Western Trust | 30.00 | 38.00 |
| Monarch Mtge. Inv. Units | .75 | 1.25 |
| Premier Trust | .... | 110.00 |
| Sherbrooke Trust | 120.00 | .... |
| Sterling Trust | 43.00 | 48.00 |
| Traders Fin., A com. | 13.50 | 14.50 |
| Do., A pfd. bonus | 85.00 | 90.00 |
| Trusts & Guarantee | 24.50 | 26.00 |
| **Insurance Stocks:** | | |
| Canada Life | 525.00 | 540.00 |
| Canadian Ins. Shares | 20.00 | 24.50 |
| Confed. Life, 25% pd. | 135.00 | .... |
| Continental Life, 20% pd. | 30.00 | 35.00 |
| Crown Life Fully Pd. | 215.00 | .... |
| Dominion Fire | 138.50 | .... |
| Dom. of Can. Gen. | 110.50 | 115.00 |
| Empire Life, 25% pd. | 10.00 | 11.25 |
| Federal Fire, 25% pd. | 50.50 | .... |
| Great West Life | 303.00 | 312.50 |
| Imperial Life | 325.00 | 350.00 |
| Manufacturers Life | 250.00 | 260.00 |
| Monarch Life, 10% pd. | 23.00 | 25.00 |
| Sovereign Life, 25% pd. | 12.00 | 14.00 |
| Sun Life | 510.00 | 525.00 |
| Toronto General | 5.00 | 6.00 |
| Western Assce., pfd. | 40.00 | 42.50 |
| Do., com. | 46.00 | 50.00 |
| **Theatre Stocks:** | | |
| Allens, Kingston, pfd. | 62.00 | 66.00 |
| Do., London, pfd. | 53.00 | .... |
| Do., St. Catharines, pfd. | 62.00 | .... |
| Do., Tor., pfd. bonus com. | 32.00 | .... |
| Loew's London, pfd. | 3.00 | 4.00 |
| Marcus Loew's, pfd. | 114.00 | 118.00 |
| Mansfield Theatre, pfd. | 20.00 | .... |
| Paramount Kitchener, pfd. | 48.00 | 52.00 |
| Do., Oshawa, pfd. | 86.00 | 90.00 |
| United Amusement, A | 15.00 | 16.50 |
| **Investment Trust Shares:** | | |
| Can. Investment Fund | 3.90 | 4.25 |
| Can. Investors Corp. | 6.90 | 7.50 |
| Inv. Found., pfd. bonus | 55.00 | 58.00 |
| Lon. Can. Inv., pfd. | 29.00 | 35.00 |
| Sec's. Hold. Corp., pfd. bon. | 16.50 | 17.50 |
| United Corp., A | 20.75 | 22.50 |
| Do., B | 12.75 | 13.50 |
| **Power Issues:** | | |
| Can. West. Nat. Gas, com. | 24.00 | 27.00 |
| Do., pfd. | 91.00 | 93.50 |
| Great Lakes Power, pfd. | 100.00 | 104.00 |
| Inter. Util., $1.75 pfd. | 7.50 | 9.00 |
| Do., $7 pfd. | 85.00 | .... |
| Montreal Island Power, pfd. | 19.00 | 21.00 |
| Northern Ont. Power, pfd. | 97.00 | 101.00 |

## Municipal Bonds

July 26, 1938

| | Rate | Due | Bid | Ask. | Yld. |
|---|---|---|---|---|---|
| †Halifax | 5 | 1961 | 112.50 | 114.00 | 4.06 |
| Hamilton | 5 | 1950 | 111.50 | [illegible] | [illegible] |
| Montreal | 5 | 1945 | 103.50 | 105.00 | 4.13 |
| Ottawa | 4½ | 1945 | 108.00 | 109.50 | 3.00 |
| †Quebec | 5 | 1959 | 105.00 | [illegible] | ... |
| Saint John | 5 | 1950 | 106.00 | 107.50 | 4.22 |
| †Toronto | 4½ | 1955 | 113.25 | 115.25 | 3.30 |
| †Vancouver. | 5 | 1950 | 84.00 | 87.00 | 6.63 |
| Winnipeg | 5 | 1944 | 96.00 | 100.00 | 5.00 |

†Payable Can. and N. Y.

## Stock Sales

| | Montreal Markets Indust. | Montreal Markets Mines | Toronto Markets Ind. & Mines |
|---|---|---|---|
| July 26 | 37,500 | 66,400 | 1,177,000 |
| July 25 | 57,300 | 55,500 | 847,000 |
| July 23 | 20,100 | 50,400 | 441,000 |
| July 22 | 48,400 | 74,900 | 749,000 |
| July 21 | 55,000 | 91,000 | 869,000 |
| July 20 | 70,400 | 87,700 | 835,000 |

## Unlisted Mines

TORONTO
July 26, 1938

| | Bid | Ask. | | Bid | Ask. | | Bid | Ask. |
|---|---|---|---|---|---|---|---|---|
| Addington | .14 | .17 | Gorham G. | .04 | .05½ | Ossian | .06 | .08½ |
| Albany R. | .26 | .28 | Hallnor | 8.50 | 9.00 | Parkhill | .01½ | .02½ |
| Algoma S. | .19 | .21 | Halliwell | .. | .05 | Pascalis | .35 | .37 |
| Amorada | .04 | .05 | Hayes Cd. | .. | .11 | Porcu. Lake | .10 | .12 |
| Arjon | .04 | .05 | Hislop | .02 | .03 | Porc. McN. | .03½ | .04 |
| Armistice | .03 | .04 | Hiawa'a | 1.60 | 1.65 | Plains P. | 1.75 | 2.00 |
| Argosy | .06 | .06½ | Hutch Lake | .03 | .03½ | Planet | .. | .08½ |
| Arno | .02 | .02½ | Hugh PaP | .10½ | .11½ | Pontiac R. | .19 | .20 |
| Athona | .07½ | .08 | Janus | .14½ | .16 | Pelangio | .06 | .07 |
| Area | .15½ | .16 | Keora | .03 | .04 | Polaris | .24 | .27 |
| Bailor | .01½ | .01½ | Keystone | .01½ | .02 | Propri'y | 1.93 | 1.98 |
| Barb. Lar. | .28 | .29 | Kaw Crow | .03½ | .04 | Queb. Mn. | .20 | .21 |
| Bear | .37 | .38 | Kenricia | .27 | .29 | Rand Ml. | .39 | .41 |
| Bidlamaqu | .03 | .03½ | Kerry Gd. | .24 | .26 | Raym. Tib. | .49 | .52 |
| Big Master | .05 | .05½ | Kewaga'a | .08½ | .09 | Rajah | .03½ | .03½ |
| Bilmac | .09½ | .11 | Kir. Vit. | .03½ | .04½ | Ribago (new) | .07½ | .08 |
| Baldwin | .01½ | .02 | King Fish | .01 | .01½ | Rich Rock | .06 | .08 |
| Buf. Bear | .19½ | .20 | Kirk. Gat. | .12 | .14 | Ronda | .14 | .17 |
| Cuniptau | .07½ | .07½ | Kirk. Hunt. | .02 | .02½ | Rouyn Re. | .04½ | .04½ |
| Calder Bo. | .05 | .05½ | Lacoma | .05½ | .06 | Rubec | .01½ | .02 |
| Camlaren | .. | .31 | Lafayette | .01½ | .02½ | Sachigo | 16.00 | 16.50 |
| Cana. Pan. | .04½ | .05 | L. Geneva | .21 | .24 | Sand Rv. | .21 | .22 |
| Cana. Kirk. | .01½ | .01½ | Lake Duf. | .82 | .85 | Shenango | .05 | .05½ |
| Capital Ro. | .03 | .03½ | Lake Rose | .07 | .09 | Sheldon | .11 | .12 |
| Central M. | .04½ | .05 | Lamaqu | 6.25 | 6.50 | Silver Val. | .03 | .03½ |
| Chan. Yell. | .44 | .46 | Lardego | .02½ | .03 | Siscoe E. | .17 | .19 |
| Cheminis | .05 | .06 | Lucky Kir. | .04½ | .04½ | Smelter | .05½ | .05½ |
| Coin Lake | .06 | .06½ | Magnet L. | .11½ | .12½ | So. Keora | .04 | .06 |
| Crowshor | .11 | .12 | Magnet C. | .57 | .60 | Spooner | .05½ | .07 |
| Cont. Kir. | .14 | .16 | Malartic | .57 | .58 | Sturg. Rv. | .18 | .20 |
| Dawson W. | .02½ | .03 | Martin Br. | .21 | .22 | Sunbeam | .45 | .47 |
| Delandore | .09 | .. | Mata Cana | .05½ | .06½ | Sun Bear | .06 | .06 |
| Delwood | .02½ | .03 | Moffatt Hall (new) | .04 | .04½ | Surf Inlet | .13 | .15 |
| Desantis (new) | .32 | .34 | McFar. LL. | .04 | .04½ | Springer | .10½ | .11 |
| Doreva | .09½ | .10 | McCarthy | .06½ | .08 | Tonawanda | .06½ | .08½ |
| Devon | .20 | .22 | McVit. Kir. | .02½ | .03½ | Upper Cn. | .68 | .69 |
| Don. Mart. | .06 | .07 | Monarch | .02½ | .03 | Virita | .12 | .14 |
| Dunlop (new) | .03 | .03½ | Mosher | .20 | .21 | Wascanna | .. | .12 |
| Elmos | .26 | .28 | Mooshla | .06 | .07 | Williamson | .03½ | .03½ |
| E. Lacoma | .02½ | .03 | Norlake | .05 | .05½ | Wilport | .05½ | .08 |
| Frontier | .08 | .. | Negus | .75 | .85 | Wesley | .03½ | .04½ |
| Faulke'm | .20 | .22 | North Sho. | .01½ | .02 | Wells LL. | .11 | .13 |
| Gate Pat. | .03 | .03½ | Oklend | .21 | .22 | Westside | .03 | .03½ |
| Gilbec | .02 | .02½ | O'Leary | .04½ | .05 | Wh. Horse | .05 | .06 |
| Goldside | .01½ | .01½ | Opemiska | .09½ | .11 | Winoga | .06 | .07 |
| Golden G. | .54 | .56 | Oriole | .03½ | .04 | Woco | .29 | .31 |
| Golden Tr. | .10 | .11 | | | | Ypres Cad. | .03½ | .04 |
| Gordon Lb. | .02½ | .03 | | | | Young David | .20 | .21 |

MONTREAL
July 26, 1938

| | Bid | Ask. | | Bid | Ask. | | Bid | Ask. |
|---|---|---|---|---|---|---|---|---|
| Abbeyville | .13 | .14 | Dempsey Cad. | .02½ | .03½ | Obalski | .05½ | .06½ |
| Amity | .01 | .02 | Dorval Units | .. | 8.50 | Pan. Canadian. | .15 | .17 |
| Barber Larder. | .25½ | .26½ | Lake Rowan | .06 | .07 | Porc. Lake | .. | .14 |
| Brown Cadillac | .01½ | .02½ | L. L. Lagoon | .03½ | .05 | Routhier Cad. | .. | .06 |
| Chibmac | .03 | .04 | Leroy | .01 | .02 | Valdor Min. | 1.20 | .. |
| Cournor | .. | .20 | Margaret | .11 | .15 | Warrenmac | .07 | .10 |
| | | | | | | Westwood Cad. | .10 | [illegible] |

## Government Bonds

(Supplied by Investment Dealers' Association of Canada)

**Dominion of Canada Bonds**

| July 26, 1938 | Bid | Asked | Approx. Yld. |
|---|---|---|---|
| 1 Jan. '39 | 100.75 | 101.25 | ... |
| 1 June '39 | 100.00 | 100.45 | .50 |
| 15 Nov. '39 | 101.25 | 101.75 | .67 |
| 15 Oct. '39 | 101.75 | 102.25 | .70 |
| 15 Oct. '39 | 103.65 | 104.05 | .95 |
| 1 June '40 | 100.50 | 101.25 | .82 |
| 1 Sept. '40 | 105.50 | 106.00 | 1.60 |
| 15 Mar. '41 | 99.00 | 99.75 | 1.10 |
| 15 Nov. '41 | 109.00 | 109.75 | 1.96 |
| 1 June '42 | 101.00 | 101.75 | 1.54 |
| 15 Oct. '42 | 104.25 | 105.00 | 1.77 |
| 1 June '43 | 102.25 | 103.00 | 1.86 |
| 15 Oct. '43 | 112.25 | 113.00 | 2.35 |
| 1 June '44 | 99.12 | 99.87 | 2.01 |
| 15 Jan. '44 | 101.25 | 102.00 | ▲1.78 |
| 15 Oct. '44 | 111.00 | 111.75 | 2.46 |
| 15 Oct. '44 | 101.50 | 102.25 | 2.11 |
| 15 Nov. '44 | 102.50 | 103.25 | ▲1.83 |
| 15 Aug. '45 | 107.50 | 108.25 | ▲2.32 |
| 15 Oct. '45 | 111.00 | 111.75 | 2.77 |
| 1 Feb. '46 | 102.25 | 103.00 | ▲2.82 |
| 1 June '49 | 103.50 | 104.25 | ▲2.75 |
| 15 Oct. '49 | 101.75 | 102.25 | ▲2.99 |
| 15 Nov. '51 | 111.62 | 112.37 | ▲1.58 |
| 1 May '52 | 107.50 | 108.25 | ▲2.99 |
| 15 Oct. '52 | 98.50 | 99.00 | 3.07 |
| 1 June '55 | 110.50 | 111.50 | ▲2.95 |
| 1 Nov. '56 | 110.75 | 111.50 | ▲3.09 |
| 1 Nov. '57 | 97.62 | 98.12 | 3.12 |
| 1 June '58 | 111.50 | 112.00 | ▲3.14 |
| 1 Nov. '58 | 112.00 | 112.50 | ▲3.19 |
| 1 Nov. '59 | 109.62 | 110.37 | ▲3.00 |
| 1 Oct. '60 | 103.00 | 103.75 | ▲2.97 |
| 15 Jan. '61 | 100.00 | 100.75 | ▲3.19 |
| 1 June '66 | 98.12 | 98.87 | 3.06 |
| 15 Jan. '67 | [illegible] | [illegible] | [illegible] |
| Perp. bonds | 88.62 | 89.12 | 3.36 |
| **Dominion Guaranteed Bonds** | | | |
| Canadian National Railway: | | | |
| 15 Jan. '42 | 100.25 | 101.25 | 1.63 |
| 15 Feb. '43 | 99.50 | 100.50 | 1.88 |
| 1 May '44 | 103.00 | 104.00 | 2.26 |
| 15 Dec. '50 | 98.50 | 99.50 | 3.05 |
| 15 Feb. '53 | 98.00 | 99.00 | 3.09 |
| 1 Sept. '51 | 114.50 | 115.50 | 3.09 |
| 1 Feb. '56 | 115.00 | 116.00 | 3.31 |
| 1 July '57 | 114.50 | 115.50 | 3.39 |
| 15 June '55 | 117.25 | 118.25 | 3.33 |
| 1 Feb. '54 | 118.00 | 119.00 | 3.41 |
| 1 July '69 | 116.00 | 117.00 | ▲2.66 |
| 1 Oct. '69 | 119.50 | 120.50 | ▲3.21 |
| 1 Feb. '70 | 119.50 | 120.50 | ▲3.22 |
| **Provincial Government Bonds** | | | |
| New Brunswick: | | | |
| 15 Oct. '51 | 92.00 | 93.50 | 3.61 |
| 15 June '56 | 94.00 | 95.50 | 3.85 |
| 15 Nov. '47 | 101.50 | 103.00 | ▲3.53 |
| 15 Apr. '61 | 104.00 | 105.00 | 4.16 |
| 15 Jan. '60 | 109.00 | 110.00 | 4.28 |
| Nova Scotia: | | | |
| 2 Jan. '52 | 96.00 | 97.50 | 3.22 |
| 1 June '56 | 98.00 | 99.00 | 3.32 |
| 15 Dec. '49 | 101.50 | 103.00 | 3.19 |
| 15 Sept. '52 | 109.75 | 111.00 | ▲3.11 |
| 15 Nov. '60 | 111.00 | 113.00 | 3.65 |
| 1 Mar. '60 | 116.50 | 118.00 | 3.78 |
| Ontario: | | | |
| 15 May '45 | 100.50 | 101.50 | 2.26 |
| 1 Dec. '51 | 97.75 | 98.75 | 3.11 |
| 15 Nov. '51 | 100.25 | 101.25 | ▲3.12 |
| 1 June '62 | 108.00 | 109.50 | 3.42 |
| 1 June '50 | 111.25 | 112.25 | 3.26 |
| 15 Jan. '62 | 114.50 | 116.50 | 3.47 |
| 15 Oct. '48 | 115.00 | 116.00 | 3.19 |
| 2 Dec. '60 | 121.50 | 123.00 | 3.51 |
| 1 July '46 | 116.25 | 117.25 | 3.05 |
| Ont. Hydro Comm.: | | | |
| 1 Feb. '53 | 99.75 | 100.75 | ▲3.17 |
| 1 Apr. '47 | 102.25 | 103.25 | 3.07 |
| 1 Jan. '70 | 118.00 | 120.00 | 3.67 |
| Prince Edward Island: | | | |
| 1 Oct. '45 | 99.50 | 101.00 | 2.85 |
| Quebec: | | | |
| 1 Nov. '51 | 97.50 | 98.50 | 3.14 |
| 1 Mar. '48 | 100.50 | 101.50 | 3.06 |
| 1 June '52 | 99.50 | 100.50 | 3.20 |
| 15 Mar. '52 | 105.50 | 107.50 | 3.32 |
| 1 Aug. '58 | 109.50 | 111.00 | 3.48 |
| 2 Jan. '63 | 112.00 | 114.00 | 3.63 |
| Alberta: | | | |
| 15 Dec. '34 | 53.00 | 57.00 | § |
| 1 Oct. '51 | 59.00 | 63.00 | § |
| 1 Oct. '36 | 55.00 | 59.00 | § |
| 1 Oct. '59 | 57.00 | 61.00 | § |
| 1 Apr. '52 | 59.50 | 63.50 | § |
| 1 Mar. '47 | 61.00 | 65.00 | § |
| British Columbia: | | | |
| 1 Dec. '57 | 87.75 | 90.75 | 4.73 |
| 15 Jan. '51 | 96.50 | 99.50 | 4.55 |
| 1 Oct. '53 | 95.50 | 98.50 | 4.63 |
| 25 Apr. '54 | 98.75 | 101.75 | 4.84 |
| 1 Feb. '45 | 101.00 | 104.00 | 4.78 |
| 15 Feb. '47 | 102.50 | 105.50 | 5.19 |
| Manitoba: | | | |
| 1 Dec. '57 | 82.25 | 86.25 | 5.12 |
| 15 Dec. '36 | 87.00 | 91.00 | 5.26 |
| 2 Dec. '59 | 93.00 | 97.00 | 5.23 |
| 1 Oct. '55 | 96.50 | 100.50 | 5.45 |
| 1 Apr. '47 | 98.50 | 102.50 | 5.62 |
| Saskatchewan: | | | |
| 1 Nov. '60 | 70.75 | 74.75 | 6.07 |
| 1 Oct. '51 | 79.50 | 83.50 | 6.33 |
| 15 Mar. '60 | 75.00 | 79.00 | 6.27 |
| 1 Aug. '58 | 80.50 | 84.50 | 6.38 |
| 1 Oct. '52 | 85.00 | 89.00 | 6.70 |
| 15 Mar. '52 | 87.75 | 91.75 | 6.93 |

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Aluminium, pfd. | $1.50 | Sept. 1 | Aug. 15 |
| Ault & Wiborg, p. | $1.37½ | Aug. 1 | July 15 |
| Anglo-Can. Tel., p. | 68¾c | Aug. 1 | July 15 |
| Assoc. Tele., 1st pf. | 49c | Aug. 15 | July 30 |
| Do., $6 pref. | 42c | Aug. 15 | July 30 |
| Agnew-Surpass | 30c | Sept. 1 | Aug. 15 |
| Do., bonus | 20c | Sept. 1 | Aug. 15 |
| Do., pref. | $1.75 | Oct. 1 | Sept. 15 |
| Bank of Montreal | $2 | Sept. 1 | July 30 |
| Blue Ribbon, pf. | 50c | Aug. 1 | July 27 |
| Bk. of Toronto | $2.50 | Sept. 1 | Aug. 15 |
| B. C. Tele., 2nd pf. | $1.50 | Aug. 1 | July 16 |
| Buff. Ankerite | 25c | Aug. 15 | Aug. 1 |
| Beattie Gold | 5c | Aug. 20 | July 29 |
| Beatty Bros., 1st pf. | $1.50 | Aug. 1 | July 15 |
| Can. South Rly. | $1.50 | Aug. 2 | June 28 |
| Can. Bk. of Com. | $2 | Aug. 1 | June 30 |
| Coniagas Mines | 12½c | Aug. 8 | July 30 |
| Can. Indust., A, B | $1.50 | July 30 | June 30 |
| Can. Bronze | 37½c | Aug. 1 | July 20 |
| Do., pref. | $1.25 | Aug. 1 | July 20 |
| Can. Malartic | 3c | Aug. 4 | July 19 |
| Coast Brew. | †3c | Aug. 1 | July 14 |
| Calgary Power, pf. | $1.50 | Aug. 1 | July 15 |
| Can. Investors | 10c | Aug. 1 | July 18 |
| Cons. Press, A | 25c | Aug. 2 | July 15 |
| Crown Cork | 25c | Aug. 15 | July 30 |
| Can. Inv. Fd., sp. & ord. | 4c | Aug. 1 | July 15 |
| Cons. Sand, pref. | $3.50 | Aug. 15 | July 30 |
| Cosmos Imp. | 25c | Aug. 15 | July 30 |
| Do., pref. | $1.25 | Oct. 15 | Sept. 30 |
| Can. Fairbanks, c. | $1 | Aug. 15 | July 30 |
| Canadian Oil, c. | 12½c | Aug. 15 | Aug. 1 |
| Dominion Bridge | 30c | Aug. 15 | July 30 |
| Dist.-Seagram, pf. | $1.25 | Aug. 1 | July 20 |
| Dom. Ang. Inv., p. | $1.25 | Sept. 1 | Aug. 15 |
| Dominion Tar, pf. | $1.37½ | Aug. 1 | July 12 |
| East. Theatres, pf. | $3.50 | July 30 | June 30 |
| Farmers Tele., c. | 62½c | July 30 | June 30 |
| 1st All Can. Tr. (1945) (fund) | .097 | July 15 | July 15 |
| Guelph Carpet, p. | $1.62½ | Aug. 1 | July 20 |
| Gurd, Chas., pref. | $1.75 | Aug. 15 | Aug. 1 |
| Hyd.-Elec. Sec., B p. | 25c | Aug. 1 | July 18 |
| Do., com. | 20c | Aug. 1 | July 18 |
| Humberstone Shoe | 50c | Aug. 1 | July 15 |
| Hollinger Cons. | 5c | Aug. 12 | July 29 |
| Do., extra | 5c | Aug. 12 | July 29 |
| Inter. Nickel, pfd. | $1.75 | Aug. 1 | July 2 |
| Int. Metal, pfd. & pf. A | $1.50 | Aug. 1 | July 15 |
| Imperial Bank | $2.50 | Aug. 1 | June 30 |
| Inter. Utilities pf. | $1.75 | Aug. 1 | July 20 |
| Do., $3.50 pref. | 87½c | Aug. 1 | July 20 |
| Inter. C. Baking | $1.25 | July 31 | July 15 |
| Kerr Lake M. | 5c | Aug. 15 | Aug. 1 |
| Louisiana Land, c. | 10c | Sept. 15 | Sept. 1 |
| McIntyre Porc. | 50c | Sept. 1 | Aug. 1 |
| Mtl. L. H. & Pr. | 38c | July 30 | June 30 |
| Nat. Biscuit | 40c | Oct. 15 | Sept. 16 |
| Do., pref. | $1.75 | Aug. 31 | Aug. 12 |
| Nipissing Mines | 15c | Aug. 22 | Aug. 1 |
| Oxford Pipe, pf. | 3½% | Aug. 2 | July 15 |
| Ont. Steel | 50c | Aug. 15 | July 30 |
| Do., pref. | $1.75 | Aug. 15 | July 30 |
| Penmans | 75c | Aug. 15 | Aug. 5 |
| Do., pref. | $1.50 | Aug. 1 | July 21 |
| Quebec Power | 25c | Aug. 15 | July 25 |
| Rolland Paper | 25c | Aug. 15 | Aug. 5 |
| Do., pref. | $1.50 | Sept. 1 | Aug. 15 |
| Royal Bank | $2 | Sept. 1 | July 30 |
| Regent Knit., pf. | 40c | Sept. 1 | Aug. 15 |
| Prov. Transport | 10c | Aug. 15 | Aug. 1 |
| Shawinigan W. | 20c | Aug. 15 | July 28 |
| South. Can. Pr., c. | 20c | Aug. 15 | July 30 |
| Saguenay Pr., pf. | $1.37½ | Aug. 1 | July 15 |
| Steel of Can. | 43¾c | Aug. 1 | July 7 |
| Do., pref. | 43¾c | Aug. 1 | July 7 |
| St. Law. Flour | 25c | Aug. 1 | July 20 |
| Do., pref. | $1.75 | Aug. 1 | July 20 |
| Simpsons, pfd. | $1.25 | Aug. 1 | July 23 |
| Toburn Gold | 2c | Aug. 22 | July 22 |
| Do., extra | 2c | Aug. 22 | July 22 |
| Union Gas | 20c | Sept. 15 | Aug. 20 |
| United Fuel, p. | ‡$1 | Sept. 1 | Aug. 15 |
| United Corp., A | 75c | Aug. 15 | July 30 |
| Walker-G. & W. | $1 | Sept. 15 | Aug. 26 |
| Do., pref. | 25c | Sept. 15 | Aug. 26 |
| Weston, Geo., pf. | $1.25 | Aug. 1 | July 15 |
| Wood, A. & James | ‡$1.75 | Aug. 1 | July 26 |
| Zeller's, pref. | 37½c | Aug. 1 | July 15 |

†Initial. ‡On arrears.

**BELL TELEPHONE CO.**

MONTREAL. — The Bell Telephone Co. of Canada has notified the Montreal Stock Exchange that it has issued 762 additional common shares. These were issued in connection with the employees stock plan. The issued common stock of the company now consists of 797,482 shares.

## DIVIDEND NOTICES

### BANK OF MONTREAL
Established 1817

**DIVIDEND NO. 201**

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 30th July, 1938.

By Order of the Board

JACKSON DODDS, General Manager — G. W. SPINNEY, General Manager

Montreal, 19th July, 1938.

### The Canadian Bank of Commerce

**Dividend No. 206**

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1938, and that the same will be payable at the Bank and its Branches on and after Monday, 1st August next, to shareholders of record at the close of business on 30th June, 1938. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 24th June, 1938.

### The Royal Bank of Canada

**DIVIDEND NO. 204**

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday, the first day of September next, to shareholders of record at the close of business on the 30th day of July, 1938.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., July 12, 1938.

### SIMPSONS, LIMITED

***Preference Dividend No. 28***

NOTICE is hereby given that a Dividend of One dollar and twenty-five cents ($1.25) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable on August 1, 1938, to shareholders of record at the close of business on July 23, 1938. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, July 14, 1938.

### Windsor Court Apartments, Limited

**To the Holders of the Six Per Cent First Mortgage Fifteen Year Sinking Fund Gold Bonds of Windsor Court Apartments, Limited.**

Notice is hereby given that Coupon No. 14 of the above mentioned Bonds, payable June 1st, 1934, will be paid at its face value on and after September 1st, 1938, upon presentation at any office of the Bank of Nova Scotia in Canada.

By Order of the Board,

W. C. James, Secretary.

### Hollinger Consolidated Gold Mines Limited

**Dividend Number 308**
**Extra Dividend Number 46**

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 12th day of August, 1938, to shareholders of record at the close of business on the 29th day of July, 1938.

Dated the 22nd day of July, 1938.

I. McIVOR,
Assistant-Treasurer.

### The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of Twenty cents (20c) per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 15th, to shareholders of record July 28th, 1938.

By Order of the Board,

H. G. BUDDEN,
Secretary and Asst. Treasurer.

Montreal, July 21, 1938.

### The Guelph Carpet & Worsted Spinning Mills Limited

**Preferred Dividend No. 37**

Notice is hereby given that a Dividend of One and Five-eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended July 31, 1938, payable August 1, 1938, to Shareholders of record at the close of business July 20, 1938.

By Order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., July 22, 1938.

### Old Canada Investment Company Limited

**Dividend Notice**

Notice is hereby given that a dividend of 5% on the Preferred stock, and 6% on the Class "A" common stock of Old Canada Investment Company Limited has been declared, payable August 5, 1938, to shareholders of record July 1, 1938.

By Order of the Board,

A. H. McKENZIE,
Secretary.

Oshawa, Ontario.


**A. J. PATTISON JR. & CO. Ltd.**
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO


## Week in Wheat

# Markets are Nervous Awaiting Price Fixing

### October Wheat Sags as Traders Hesitate — Confusing Loan Policy in United States and Delay in Fixing Canadian Minimum Blamed

**From Our Own Correspondent**

WINNIPEG.—The market has shown relatively little interest in the recent declines in July cash wheat. After all there is little of this available and new crop deliveries are hardly a month away. Overseas buyers are not sufficiently anxious to get small quantities now to pay any extravagant premiums.

A gradual decline in the price of October future has been of much more importance. This trend is taken as reflecting developments in United States. Traders there have been holding off until they could form some opinion as to the probable effect of the announced loan policy of the United States Government, intended to induce farmers to store their wheat. To the surprise of some observers central market prices so far as futures are concerned have fallen below the figures announced for loans. This may mean that farmers will not take the trouble to apply for loans or that suitable storage is scarce or that high-grade wheat is being held back with lower grades going to market.

Further nervousness has been caused both here and at Chicago by the delay of the Canadian Wheat Board in fixing minimum prices for the new crop year which commences next Monday.

Recent large clearances of North American wheat for Europe, representing earlier bookings, have relieved overseas demand for the time being, but further heavy and fairly continuous purchases are anticipated at least until Southern Hemisphere crops are ready next January.

***Dull Trading***

Trading in the Winnipeg market has been at a low ebb. A primary reason has been the small quantity of old wheat remaining to be traded. There are perhaps 10 million bushels of bread wheat in commercial positions, the greater part of which is definitely ordered. Another reason has been the uncertainty of Canadian Government action as to minimum price. There has been also less than the usual volume of spreading transactions between Winnipeg and Chicago. Traders are puzzled over the relation likely to exist between the two markets because of the actions of government in both countries. The U.S. proposals to lend money on stored wheat may result in large quantities being absorbed by the Government to provide the background of the "ever-normal" quandary envisaged by the present policy of the Government.

This American holding may permit early selling of Canadian wheat provided the Government minimum in this country does not prove too far out of line with world market quotations.

***Predict Small Russian Sale***

Although Russia is offering and actually exporting some new crop wheat, Liverpool does not seem to anticipate any great volume from that quarter. The general belief appears to be that the winter wheat crop closest to the Black Sea has been good, providing an export surplus, but deficiency is likely to be experienced in the great spring wheat areas farther north.

In any case there is probably less necessity for Russia to export wheat now than a few years ago and as a war precaution undoubtedly there will be a tendency to build up reserves. Last spring, it will be remembered, several cargoes of Australian grain were bought by the Soviet Government for apparent storage in eastern Siberia.

* * *

The French wheat crop is now put at about 330 million bushels, providing a surplus over the needs of the country, based on consumption of the past few years. But it is not believed that France will attempt to export much. In that country also there is the problem of conserving security stocks of wheat as war risk insurance. Then experience has shown that French wheat is not desired in other European countries, into which it can only be moved by considerable export bounties.

## DIVIDEND NOTICES

**Borden's**
COMMON DIVIDEND
No. 114

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable September 1, 1938, to stockholders of record at the close of business August 15, 1938. Checks will be mailed.

*The Borden Company*
E. L. NOETZEL, *Treasurer*

### National Biscuit Profits Increase in Current Year

Net profit of National Biscuit Co. for the three months ended June 30, 1938, amounted to $2,984,565, after depreciation, income taxes and other charges. This is equivalent to 41 cents a share on the common stock, after allowing for dividend requirements on the preferred, as compared with 39 cents for the corresponding quarter of 1937.

For six months ended June 30, 1938, indicated net profit was $5,645,135, equal to 76 cents a share on common stock, compared with $5,422,792, or 72 cents a share in the first half of 1937.

### Ontario Sugar Beet Crop and Price Higher

Prospects at present are for a considerably higher crop of sugar beets in southwestern Ontario this year. Acreage is up an estimated 3,000 acres and growing conditions have so far been excellent.

Canada & Dominion Sugar Company, which has factories in Chatham and Wallaceburg and buys all the beets grown by the farmers in that part of the country, has increased the price paid to $6.25 a ton, delivered at the factory, an increase of $1 a ton. The basis of payment provides for a 25 cent bonus for each degree of sugar content in the beets in excess of 14%.

## Pacific Mills Earnings Rise

### B. C. Paper Concern Feels That Bottom of Depression Reached

**From Our Own Correspondent**

VANCOUVER. — Increased profit is reported for the year ended April 30, 1938, by Pacific Mills, Ltd., Canadian subsidiary of Crown Zellerbach Corporation, newsprint and general paper manufacturers, with mills at Ocean Falls, B.C.

The net profit was $825,161, compared with $576,658 in the previous year. A total of $405,227 was added to the surplus after deducting $119,934 for preference share dividends and $300,000 for the common. The surplus balance was $7,131,626.

Consolidated profit and loss statement of Crown Zellerbach includes about $383,000 net income in excess of dividends received or accrued from Pacific Mills, Ltd., while the consolidated surplus accounts of the parent company include about $3,764,000 of undistributed surplus of Pacific Mills.

An optimistic view of the future is taken by the management which reports that although no improvement has been noted in the volume of sales or in prices of the company's products, predictions of an upward trend provide some basis for hope that the bottom of the depression has been reached.

Pacific Mills' profit before charging depreciation, depletion, income taxes, and income taxes and interest on serial notes issued to retire bonds was $1,809,506, this comparing with $1,486,098 in the previous year.

The net profit was $825,161 for the year after charges totalling $984,346, as follows: Depreciation, $626,043; depletion $17,953; interest on serial notes issued to retire bonds, $21,250; provision for income taxes, $319,100.

**Dentonia Mines** reports that June output of Durango, its subsidiary, amounted to $22,000 ((net smelter returns), as compared with $24,991 in May.

* * *

**Fort Rouille Mining Corp.** — of Toronto has just been granted license to sell stock in the United States by the Securities Exchange Commission.

### Andian National Capital Distribution Confirmed

Supplementary letters patent have been granted to Andian National Corporation, reducing the paid-up capital of the company from the equivalent of $10 a share to $4 a share. This reduction of $15.3 million is being effected by repaying to each holder of outstanding shares the sum of $6 in cash for each share held.

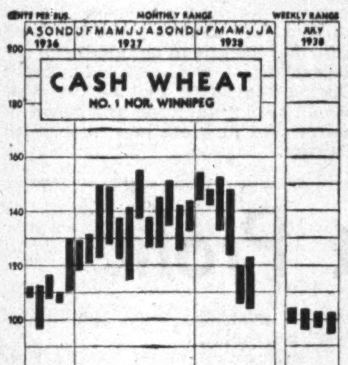
It is not expected that the date for the payment of the $6 a share will be set for a week or two yet.

## Mining Dividends

| | Rate | Close July 26 | Yield % |
|---|---|---|---|
| Anglo-Huronian | 10c | 3.00 | 3.3 |
| Beattie Gold | 10c | 1.25 | 8.0 |
| Bralorne | 60c+30c | 9.50 | *9.5 |
| Buffalo Ankerite | $1 | 16.25 | 6.2 |
| Bulolo Gold | $3 | 28.75 | 10.4 |
| Can. Malartic | 6c | .97 | 6.2 |
| Cariboo | 10c+4½c | 2.45 | *5.9 |
| Central Patricia | 12c | 2.76 | 4.3 |
| Coniagas | 25c | 1.75 | ... |
| Coniaurum | ‡5c | 1.31 | ... |
| Cons. Smelters | 50c+50c | 61.50 | ... |
| Dome Mines | $2 | 31.50 | 6.3 |
| Falconbridge | 30c | 6.50 | 4.6 |
| Gunnar Gold | †3c | .74 | 4.0 |
| Hedley Mascot | 12c+3c | 1.10 | *13.6 |
| Hollinger | 65c+45c | 15.00 | *7.3 |
| Howey Gold | 4c | .28 | ... |
| Hudson Bay | $1.75 | 30.75 | ... |
| Inter. Mining | 25c | 9.00 | ... |
| Int. Nickel, com. | $2+25c | 52.00 | *4.3 |
| Island Mountain | 5c | 1.15 | 4.3 |
| Jack Waite | †1½c | .57¾ | ... |
| Kerr Lake | 5c | .46 | 10.9 |
| Kirkland Lake | 8c | 1.28 | 6.2 |
| Kootenay Belle | 9c+1c | 1.19 | *8.4 |
| Lake Shore | $4+$1 | 51.87 | *9.7 |
| Lava Cap M. | 5c | .94 | ... |
| Little Long Lac | 10c | 3.60 | ... |
| Macassa | 20c | 4.95 | 4.0 |
| McGillivray Creek | 3c | .21 | ... |
| McIntyre Porc. | $2 | 44.50 | 4.5 |
| McKenzie Red Lake | 12c | 1.27 | 9.4 |
| McKinley Sec. | 5c | .60 | 8.3 |
| Noranda | ‡$2 | 72.00 | ... |
| Nipissing | 15c | 1.85 | ... |
| North. Empire | 50c | 8.50 | 5.9 |
| Oro Plata | †4c | .75 | ... |
| Pioneer, B.C. | 40c | 3.00 | 13.3 |
| Pickle Crow | 40c | 4.90 | 8.2 |
| Placer Develop. | $1.20 | 16.00 | 7.5 |
| Premier | 12c | 2.35 | 5.1 |
| Reno | 12c | .48 | ... |
| San Antonio | 14c | 1.26 | 11.1 |
| Sheep Creek | 12c+2c | .96 | *14.5 |
| Silbak Prem. | †4c | 1.99 | ... |
| Siscoe | 20c+1c | 2.21 | *9.5 |
| Sudbur Basin | 10c | 3.05 | ... |
| Sullivan Cons. | 5c | 1.05 | 4.8 |
| Sylvanite | 20c+5c | 3.45 | *7.2 |
| Teck-Hughes | 40c+10c | 4.65 | *10.7 |
| Toburn | 8c+4c | 2.10 | *5.7 |
| Ventures | 37½c | 6.50 | 5.7 |
| Wright-Harg. | 40c+30c | 7.90 | *8.9 |

†Initial. *Yield includes bonus.
‡Interim.

## Wheat Prices




(Cash Quotations)

| | For Week July 26 High | For Week July 26 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| 1 Northern | 1.01¾ | .95 | 1.02⅛ | .97¼ |
| 2 Northern | .98¾ | .92 | .99¼ | .94⅝ |
| 3 Northern | .93¾ | .87 | .95 | .89¼ |
| 4 Northern | .83⅝ | .77 | .87 | .79⅝ |
| 5 Wheat | .66⅝ | .63⅝ | .68½ | .64½ |
| 6 Wheat | .60⅝ | .57⅝ | .62½ | .58¼ |
| Feed Wheat | .58⅝ | .55⅝ | .60½ | .58¼ |

Competitive Export Prices:
July-Aug. shipments:

| | Week to July 26 High | Week to July 26 Low |
|---|---|---|
| No. 1 North. (Van.) | 1.17⅜ | 1.13½ |
| No. 3 North. (Atlan.) | 1.13⅛ | 1.09¾ |
| Australian (afloat) | .98 | .96½ |
| Indian (choice Karachi) | .94⅞ | .94⅛ |
| U. S. Hard Winters | .91⅞ | .89½ |
| U. S. White Pac.‡ | .85 | .83½ |
| Argentine Barusso | .98¼ | .94⅞ |
| Russian† | .85¾ | .84⅛ |

†New crop.
‡Loading.

### Winnipeg Grain Futures

Week to July 26, 1938

| Crop year from Aug. 1, 1937 High | Low | | Open July 20 | High for week | Low for week | Close July 26 | Close year ago |
|---|---|---|---|---|---|---|---|
| | | **Wheat** | | | | | |
| 1.22½ | .88⅛ | July | 1.00¾ | 1.03¼ | .94⅞ | .94⅞ | 1.39⅛ |
| 1.03 | .73¾ | Oct. | .77¾ | .79½ | .75 | .75⅝ | 1.31⅛ |
| .86⅜ | .73¼ | Dec. | .75⅞ | .77⅞ | .73½ | .74⅛ | 1.27¾ |
| .87⅞ | .75⅛ | Nov. | .77⅜ | .78¾ | .75⅛ | .75⅛ | ..... |
| | | **Oats** | | | | | |
| .49 | .35⅝ | July | .41½ | .41½ | .35⅝ | .35¾ | .57½ |
| .44 | .32 | Oct. | .34¾ | .35½ | .32 | .32 | .48¾ |
| .35⅝ | .30¼ | Dec. | ..... | .32¾ | .30¼ | .30¼ | .44¾ |
| .35 | .35 | Nov. | ..... | .35 | .35 | .35 | ..... |
| | | **Barley** | | | | | |
| .63⅜ | .44 | July | .48¼ | .48½ | .44 | .44 | .66½ |
| .55 | .44 | Oct. | .47 | .47¼ | .44 | .44 | .62½ |
| .49¾ | .43 | Dec. | .46 | .46 | .43 | .43 | .61 |
| | | **Flax** | | | | | |
| 1.77¾ | 1.32½ | July | 1.45½ | 1.45½ | 1.44¼ | 1.44¼ | 1.75½ |
| 1.52 | 1.33½ | Oct. | 1.46½ | 1.43¾ | 1.45 | 1.45 | 1.77¼ |
| | | **Rye** | | | | | |
| .86½ | .45⅝ | July | ..... | .48¾ | .45⅝ | .45⅝ | 1.48 |
| .58 | .47 | Oct. | .50¼ | .51 | .47 | .47 | .92⅜ |
| .55½ | .48 | Dec. | .50¼ | .51⅛ | .48 | .48 | .89¾ |

# Western Canada Reorganizes for Profit

(Continued from page 1)

The medium-powered, medium-priced tractor, plus the modern combine, has been the answer.

**Combine Works Revolution**

To a large part of the West the introduction of the combine has meant as much to the wheat grower and as the binder did to his grandfather. Before this labor-saving machine, stookers at from $4 to $6 per day had to be hired. Their job was to gather up the sheaves tossed off the horse-drawn binder, stand them in small stooks to resist weather until a high-priced threshing gang was rounded up for the final harvesting.

In a year of heavy crops threshing was certain to be late and all the time the grain was exposed and liable to lose grade. When winter came early, as it did at least one year out of five, much of the grain might have to stand over in stook until spring. In this case what went into winter as No. 1, worth, say, 80 cents per bushel, was certain to come out No. 4, worth 68 to 70 cents. Loss from mice, shelling and other causes, too, might easily reduce total crop 10 to 20%.

**Harvesting Costs Cut 75%**

Ten years ago six men, operating and stooking behind two eight-foot binders, plus eight horses, would consider 30 acres of good wheat cut an excellent days work. Later to thresh the result of that work, say 1,000 bushels of wheat, it would take a $5,000 outfit and a gang of 20 men three hours. In other words, to harvest and thresh 30 acres of wheat would require, in addition to machinery, a days labor of 11 men.

Today, throughout a third of the West, three men working shorter hours and with less machinery will do the same job. Harvesting costs have been reduced fully 75%.

Instead of slow horse-drawn binders, high-priced imported stookers, via harvesters excursions, and late threshing, the whole job is done in one single operation. A combine, hauled by a tractor, cuts and threshes the wheat, dumping the grain at regular intervals into a waiting truck, which hauls it to the granary. Tractor, combine and truck require one man each to operate, and this outfit will completely harvest an average of 30 acres per day.

In the 12 years ending 1937 over 11,000 combines were sold in the West and, allowing for this season's replacements of discarded machines, there will probably be at least that many operating on the coming harvest. These at 500 acres apiece can handle one quarter of the present crop.

But combines are only one development in mechanized western wheat growing. There are, in addition, implements which combine plowing, cultivating and seeding and do the job in the same impressive way.

In the northern areas, where uneven ripening or heavier straw growth makes combining impractical, wide power binders are used. These travel one mile an hour faster than horses. All over the prairies grain is hauled from farm to elevator in motor trucks at 15 to 25 miles per hour. Handling of wheat from the time the ground is prepared until the grain is sold is faster, cleaner and less costly a job today than it was 10 years ago.

**Intelligent Soil Handling**

The same development has gone into soil handling. The hit-and-miss methods of pioneering days are gone. Then a man moved to free virgin soil, broke up the tough prairie sod and started growing wheat. Once broken, seed was often merely dribbled into the ground, wheat replacing wheat, with no gap between for weed killing, no pause for conserving valuable moisture. Both good land and poor were opened up indiscriminately. Everywhere the land was rich enough to grow a few good crops and the country was in the midst of a cycle of wet years. But the soil was not uniformly rich. In some areas there was merely a two- to six-inch layer of black loam on top, with sand underneath. It took centuries of prairie grass to build up the valuable surface; three good crops of wheat used it all.

This was the kind of soil that was the first to blow. It played out nearly 10 years ago and is still played out. It should never have been broken. As a result of cold economics it is being turned back to the rancher. But in the severe drought years from 1932 to 1937 even some of the heavy rich soil started working loose.

Pessimists announced that the West was done. Only peasant farming or irrigation, they declared, could save it. On some of this black land, where seed blew out three times a year ago, this month I saw great wheat fields that promised up to 50 bushels per acre. This land is still as good as ever. Only the sandy areas are damaged.

**Only Small Abandonment**

And these sandy areas after all only comprise a small portion of the West. They have not been productive for 10 years or more. Their loss will be offset to a considerable extent by land which tractor farming has released from oat growing and is now available for wheat. A few years ago the average farmer on a section of land—640 acres—had to grow about 100 acres of horse feed. Now he puts this into additional wheat and gets his power fuel from Turner Valley.

In the last 10 years wheat growers have learned a lot about drought, and while they hardly hope to be able to grow big crops in dry years, nevertheless they do expect to be able to survive with less hardship than was experienced recently.

In the first place they have abandoned much of the lighter land where droughts took most serious toll. These lands were termed marginal, because it was a toss-up whether over a period of years they would produce much more in crop than they used in seed. They were on the edge, the margin of profitable land.

**Dry Farming**

On good soil, precautions have been taken against drought by increasing percentage of summer fallow, that is the portion of the land under summer cultivation to kill weeds and store moisture for a crop in the second year. Soil drifting, a product of very dry years, is arrested by leaving stubble and straw rubbish on the surface in fall and spring to keep out wind and catch winter snows. Formerly this trash was plowed under in neat Ontario fashion. In areas very susceptible to blowing, strip farming is followed, alternating fallow with crops not in large blocks but narrow strips so that cross winds get little chance of starting the top soil rolling. All these measures tend to stabilize wheat growing, to protect soil and to give some returns even when summers prove dryer than usual.

**Rust-proof Wheat**

Scientists have come to the aid of the farmer in striking and practical fashion. Rust lopped 150 million bushels off the wheat crop of 1935. There was complete loss in southwestern Manitoba and southeastern Saskatchewan. Blow to morale was just as serious as to pocketbook. The crop was within two weeks of safe harvesting when destruction appeared. That sort of a tragedy can hardly happen again. Over the rust-vulnerable wheat area today 80% of the crop is of a resistant type developed by crop scientists of United States and Canada. Marquis wheat, because of its early maturity, made wheat growing possible in western Canada. Thatcher, Renown and other resistant wheats have made it possible to continue.

The same sort of work is being carried on in the fight against grass hoppers, wire and cut worms and other pests. Now a grower does not wait until these enemies appear. Months, sometimes a year, in advance he is warned if any serious infestation is likely in his locality. Eggs deposited the previous year give the clue. Governments stock threatened areas with poisons, send in experts to lead the fight. Outbreaks, of course, have not been prevented, and flying clouds of grasshoppers from south of the border or adjacent ranch country, as is the case this season, may do considerable damage before being checked.

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### Says U. S. Interests To Finance Macketta

**From Our Own Correspondent**

WINNIPEG. — Macketta Gold Mines at Halifax Lake in the Central Manitoba area is continuing a drilling programme for a further total of 1,500 or 2,000 feet. This is designed to give one or two holes at depth and to further explore the length of the mineralized zone, which in places is 60 or more feet in width.

Providing this drilling stands up to the previous work, arrangements have been made, according to Malcolm MacVicar, for complete financing of the property with United States interests, these same people also furnishing a portion of the money required for immediate drilling.

### Montreal Curb Lists Amm Gold Mines Stock

**From Our Own Correspondent**

MONTREAL.—The capital stock of Amm Gold Mines was called for trading on the Montreal Curb Market on July 26. Ticker abbreviation is AMM.

The listing covers the authorized capital of three million shares, par value of $1 each. Of this amount, 2,632,333 shares have been issued. Of the issued capital, 797,500 shares of vendor's stock are held in pool.

Of the treasury stock, 366,667 shares are subject to an option agreement as follows: 66,667 shares at 30 cents under option due Sept. 1; 100,000 shares at 32½ cents under option due Oct. 1; 100,000 shares at 35 cents under option due Nov. 1; 100,000 shares at 40 cents under option due Dec. 1.


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### Dominion Coal

Will you please let me have your opinion on Dominion Coal preferred?

Dominion Coal Company's operations so far this year are understood to be on a slightly better basis than a year ago. It is expected that net income will be as large as in 1937 when $2.08 a share was earned on the preferred. The stock still sells at a discount, giving a relatively high yield, due to uncertainty as to the permanency of the Dominion Rail subventions on shipments of coal from the Maritimes to Central Canada. The latter policy has been supported by both Liberal and Conservative Governments over a period of many years and it is not expected that there will be any change.

### Dominion Textile

Please be good enough to let me have a report on the current position of Dominion Textile Co. I am interested in the common stock.

Current operations of Dominion Textile Co. are somewhat behind those reported a year ago. The lack of demand and higher operating costs have undoubtedly affected earnings of the company. However, at this point it is too early to say just how income will shape up for the year, as the fiscal year does not end until March 31 next.

Last year Dominion Textile earned $4.84 a share on the common and paid dividends of $5. Financially the company occupies a strong position and can continue the regular dividend without seriously impairing its position. Unless some unforeseen happening occurs, the company should continue to earn a fair return on the invested capital.

### Canadian Car

As a subscriber, I would be greatly obliged if you would give me your views on Canadian Car & Foundry Co.'s preferred stock.

Canadian Car & Foundry Co. is handling a good volume of business this year, and the income account should show the preferred dividend earned by a comfortable margin. For the year ended September 30 last, the report showed $4.01 a share on the preferred, against dividend requirements of $1.75 a share. Just now the management is very actively engaged in furthering its aviation department plans and the prospects are not unfavorable that this department will develop into a money-maker. The railway equipment business has held up well. The company's war claim, amounting to several millions, is still before the German Mixed Claims Court and may possibly be settled in the near future. All in all, the immediate outlook for the company is as favorable as it has been for some time past. Considering the preferred stock it is well to bear in mind that at the end of last year there were arrears of dividends amounting to $6.50 a share.

### International Pete

What is the reason for the comparatively low price of International Petroleum stock? Are relations with the South American countries in which it operates satisfactory, or has the dividend policy of the company anything to do with the stock's price?

Price of International Petroleum stock appears to have been unduly depressed by fears of investors that the Government of the South American countries where the company operates would interfere with its properties and also due to some doubt as to the probability of the current dividend being continued. Company officials have given us a reassuring statement regarding its relations with the Government of Colombia and Peru where its chief operations are carried on.

Last year International Petroleum earned $1.81 a share on its common stock and paid dividends totalling $2.50. For the past three or four years it has followed a policy of paying out more in dividends than it reported in net profits. This policy has resulted in some reduction in earned surplus which, however, still remained at $41.7 millions at the end of last June.

Since the last report appeared for the year ended June 30, 1937, the company has purchased a large amount of crude oil in Venezuela, requiring cash payment of $25 millions and the issue of various other obligations. As a result of this it has been accepting deliveries of crude oil at around 35,000 barrels daily since Dec. 15. So far officials have indicated to us that the deal is proving profitable but complete details are lacking and will probably not be available until the next annual report appear some time this fall. This transaction has provided considerable speculative interest in the company's operations.

### Power Corp.

Are the 5% bonds of Power Corp. a sound investment?

The 5% bonds of Power Corp. are regarded as sound investment. The bonds are well secured both as to principal and interest. The company has always earned its bond interest and earnings have shown steady improvement in the past five years. In the year ended June 30, 1937, the company earned all interest requirements 3.02 times. The report for the year ended June 30, 1938, will show even higher earnings. As at June 30, 1937, the equity behind each $1,000 of bonds was $2,945.

### B. A. Oil

Would you summarize briefly the operations and earnings of B. A. Oil?

British American Oil Co. is the second largest unit in the oil refining and distributing industry in this country. It also has important interests in the production of crude oil in the United States which are likely to prove of great value, particularly in a period of rising prices.

Last year British American Oil reported total earnings of $1.45 a share on its common stock against $1.41 in 1936. Regular dividends of $1 a share are being paid which were more than covered by the earnings of $1.30 a share from Canadian operations only last year.

The company has recently announced a plan for building a refinery in Calgary to take care of its needs for western Canada. Steady reduction has been made by the company in its funded debt and this year so far the reduction has amounted to about $750,000. Stock of British American Oil is generally regarded favorably.

## Canada and Dom. May Split Stock

### Shareholders Would Receive Three Shares for One by Plan

A special meeting of the shareholders of Canada and Dominion Sugar Co. will be held on August 4, in Chatham, Ont., to consider a bylaw subdividing the present outstanding 1,000,000 no par value shares of stock into 3,000,000 no par value shares. The shareholders would receive three new shares for every one old.

The company experienced marked improvement in operations during 1937. Net operating profit for the fiscal year ended Jan. 31, 1938, amounted to $3,056,692 as against $2,183,043 in the preceding fiscal year. Net profit amounted to $2,334,666, as compared with $1,644,996 for the previous year. Earnings per share were $4.67 for the 1938 fiscal year, as against $3.29 for the previous year.

### City of Quebec

Do you regard city of Quebec bonds as a high grade municipal security?

During recent years the city has had substantial deficits. In the year ended April 30, 1938, consolidated deficit on current account was $286,000. If the city's share of direct relief is included then consolidated deficit totalled $644,749. In the previous year the consolidated deficit, including relief, amounted to $665,853. The city recently has had to refund parts of maturities for which sinking funds were not sufficient.

### Winnipeg Electric

Why are Winnipeg Electric Series B bonds selling at such a large discount?

Present price of Winnipeg Electric Series B bonds reflects the weakened earnings of the company. The bonds are on an income basis until 1947. In 1937 the 4% interest was earned only by a narrow margin, although paid in full.

Gross revenue of the company increased in 1937, but net income available for bond interest and depreciation was lower as a result of higher operating expenses. In the current year to date there has been a further decline in net available for depreciation and bond interest. During the latter part of the year revenues may improve as a result of betterment in conditions in western Canada.

*Investment Analysis*

# Fanny Farmer Candy Shops

### Record For Sales Reached in 1937; Long-term Trend Steadily Upward

With the sale or option of Senator Frank P. O'Connor's remaining 100,000 shares in Fanny Farmer in July, 1937, and the subsequent sale of 30,000 shares in June, 1938, control of the company passed to other interests.

Resignation of John D. Hayes from the Laura Secord Co. and a change of officers remove the interlocking management of the companies that had existed since incorporation. Although there had never been any corporate connection, the products and policies of the two companies had been similar. Of the new board only one member is a Canadian resident, H. Rupert Bain, vice-president, of Toronto. Other members are: John D. Hayes, pres.; Joseph P. Hogan, sec.; E. E. Fairchild, Jr.; M. T. Hayes, asst. sec.; all of Rochester, N.Y.

**Sales Increase**

Fanny Farmer and Laura Secord have demonstarted that the candy business can be made less prone to fluctuation than most other businesses. The company has a record of steadily mounting profits since 1932, which was interrupted by a small decline in the current fiscal year. During the six-months period ended June 30, profits declined $5,438, or 1.60%, over those of a similar period in 1937, in contrast to an increase in sales of $142,591 or 4.70% over those of the previous year.

For the year ended Dec. 31, 1937, net profit reached a record high of $803,937. Sales last year, totalling $6,640,135, were the largest in the company's history, and compare with $5,682,929 for 1936. A programme of steady expansion has had much to do with this growth.

In view of the relatively small decline this year in profits, combined with better conditions in the U.S. in general, it appears likely that the company will be able to regain this lost ground before the end of the year.

Dividends of $1 per share per annum have been paid on the 390,464 shares of common since April 1, 1937. Extras paid in 1937 totalled 75 cents per share. In 1936, 50 cents per share was paid plus extras amounting to 37½ cents per share.

**Growth Steady**

Working capital reached an all-time high in 1937, totalling $1,335,328, as against $1,301,500 in 1936.

The company was established in 1919 in Rochester, N.Y., by Senator O'Connor, and at the present time is operating 232 shops and six "studios," the largest organization of its description in the world, according to company officials. Area served extends from Portland, Maine, in the east, to Des Moines, Iowa, on the west, and Washington, D.C., on the south.

Steady growth of the company's sales and earnings are shown by the tabulation below. The company suffered from the effects of depression in the years 1931 to 1933, but the following year continued on its upward movement. In the initial year of the organization's operations in 1919, four stores had sales of $193,413, and the figures rose steadily until 1929 to $4,043,168. This coincided, however, with a period of business expansion and average sales per unit, based on the number of stores in operation at the end of the year, did not show a corresponding increase.

An analysis of sales, stores operated and net earnings follows:

For Years Ended Dec. 31

| | Sales $ | Stores | Profit avail. for divds. $ |
|---|---|---|---|
| 1927 | 3,722,682 | 110 | 366,573 |
| 1928 | 3,793,530 | 116 | 386,407 |
| 1929 | 4,068,258 | 134 | 444,120 |
| 1930 | 3,841,034 | 143 | 340,999 |
| 1931 | 3,517,879 | 146 | 232,722 |
| 1932 | 3,207,408 | 148 | 147,725 |
| 1933 | 3,406,987 | 157 | 219,256 |
| 1934 | 4,184,555 | 168 | 412,379 |
| 1935 | 4,818,396 | 182 | 501,078 |
| 1936 | 5,682,929 | 195 | 586,494 |
| 1937 | 6,640,135 | 220 | 803,937 |

**Distribution Methods**

The six "studios" in New York, Boston, Rochester, Detroit, Milwaukee and Minneapolis supply the needs of their districts, principally by truck delivery. Candy is made and distributed daily and no candies remain in the shop more than three days. The 123 one-priced lines, which the stores carry, turn over on a minimum of twice a week. Laura Secord and Fanny Farmer pioneered this method of merchandising and distribution.

Each of the districts is supervised by a manager and an assistant. Sales clerks are asked to visit the "studios" periodically to see their wares manufactured. Store appearances and the sales personnel are given particular attention, for it is upon these two factors that the sales of the organization vitally depend.

Fanny Farmer, like other chain organizations in the United States, has had to bear a heavy burden of taxation. Rentals are now at a low point, but the company finds it difficult to tie landlords to long-term leases at present rates.

**Better Year Likely**

It is felt by the company that its products come under the classification of foods and therefore should be subject to no greater or little smaller variation than the demand for foodstuffs.

## Action Deferred On New Liners

### Sir Edward Beatty Says Costs Are Too High at Present

From Our Own Correspondent

MONTREAL. — Construction of two new liners for the Canadian Australasian Line, in which the Canadian Pacific Railway has a 50% interest, has been postponed for the present at least. The reason is the high cost of shipbuilding at present. Prices are said to be uneconomic.

According to a joint statement by Sir Edward Beatty and Lord Craigmyle, British ship owner, shipbuilding prices have reached "an uneconomic peak" and construction of ships "is impracticable for the present."

Negotiations for a subsidy for construction of the two proposed liners have been under way for more than a year between the company and the United Kingdom, Canadian, Australian and New Zealand Governments. Agreement was finally reached between the governments concerned, but it has now been found necessary to postpone action due to the precipitate rise in shipbuilding costs.


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## Can. Fairbanks Pays Dividend

### Sales Maintained in First Half of Current Year

From Our Own Correspondent

MONTREAL.—Canadian Fairbanks-Morse Co. has declared a dividend of $1 per share on its common stock. This is the first common dividend paid since March 15, 1932. The dividend is payable August 15 to shareholders of record July 30.

Declaration of the dividend reflects improved earnings last year and satisfactory business in the current year to date. In 1937, the company earned $2.41 a share on its common stock compared with 53 cents a share in the previous year. In the years 1931 to 1935 inclusive, earnings were not sufficient to meet dividend requirements on the preferred stock, let alone to leave anything available for the common.

During the current year to date, business of the company has been satisfactory, especially in view of the general recession in business. Furthermore, the company considers prospects for the remainder of the year to be promising.

## Southern Canada Power Reduces Value of Capital

From Our Own Correspondent

MONTREAL. — Shareholders of Southern Canada Power Co. at a meeting here approved a by-law reducing the book value of the 400,000 issued common shares from $8,672,000 to $8,000,000.

The reduction is a technical adjustment, the objective being simplification of the balance sheet. The equity of shareholders in the property, assets and earnings of the company will in no way be affected by the reduction.


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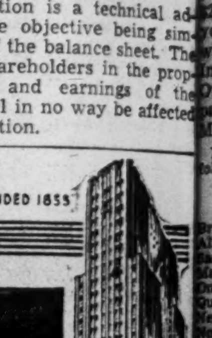

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## Mansfield Theatre May Rent Property

From Our Own Correspondent

MONTREAL. — Famous Players Canadian Corp. made an offer to Mansfield Theatre Co. to rent its Loew's Theatre, Montreal. The offer will be considered by shareholders of Mansfield Theatre at a meeting on July 29.

Famous Players is seeking a five-year lease on the theatre from Sept. 1, 1938. Rental offered is sufficient to permit payment of 3½% dividend per annum on the company's preference shares.


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# How to Develop Investment Profit

(Continued from page 1)

minds of the average trader over the advisability of putting "all eggs in one basket" or resorting to diversification. The answer is that in a changing world, and especially where Government interferes with business, diversification is absolutely vital. In periods of revival or depression there is no telling where the lightning will strike. The only way to hedge against the hazards of business fortunes is to diversify.

Which is the more important — issue or industry? First comes the industry and then the individual stocks. Is it better to own one stock in one industry or to spread out, and how far should a diversification programme be carried? The average speculator should confine his operations to not over half-a-dozen industries and to not over a total of 15 to 20 individual issues. In so doing he is enabled to buy two or three stocks—rather than one—in each group and to confine his operations to a number of industries that can be followed with some reasonable degree of diligence.

**Big or Small Companies**

Now that "bigness" is arousing governmental, if not social, antagonism, the question of whether to choose a small or a large company is paramount. Here no hard and fast rule can be furnished. In industries that have reached their full stature, like steels and motors, the biggest and strongest companies are the best risks, since it is impossible for a small company to prosper rapidly where the capital investment is so large and the margin of profit promises so narrow. In the chemical and merchandising industries small companies may be all right, if the record of growth, finances and profits is convincing

Management, availability of information and marketability of stock are prime attributes of a sound speculative investment. Unless these are present, a stock may be subject to abnormally wide price swings characteristic of so-called specialties, and may fail to enlist the public following that makes for market leadership.

**Best Issues High Priced**

By now, however, all of these desiderata are so well recognized as to place a heavy premium on the so-called gilt-edged issues. What everybody wants tends to become scarce so that the "best issues" have for a long time sold at somewhat fantastic ratios to earnings. The danger of a somewhat artificial market status must be recognized in the event of any change in money conditions, since the big investor has come to disregard income return.

Having settled on certain fundamentals of policy, an individual should next pick out a good broker. The integrity of brokerage houses, now that Stock Exchange supervision is constant, calls for little investigation. But it is important that a firm be chosen which has an adequate investigating department, which endeavors to present logic instead of mass reasoning as an approach to market problems, and which can demonstrate by its record of advices flexibility of judgment.

**Timing More Important**

A leading financial weekly should provide source material for the wide-awake speculator. Only from thorough reading can a basis for sound judgment be found.

When to buy or to sell is far more important than what to buy or to sell. Briefly, what that means is to satisfy one's own judgment concerning the main trend, bullish or bearish. Study of the phenomena of bull and bear markets, as outlined in preceding chapters, may be of help in arriving at a clear-cut opinion concerning which direction the market is mostly likely to take.

Requirements of a good trader are judgment and patience. One man may have judgment but lack staying power, while another may have patience to the point of stubbornness without the compensating quality of sound judgment. From observation and experience it may be possible gradually to compound a happy mixture of both qualities.

There is no need for one always to be in the stock market. If there are valid doubts over the main trend, it is wise to withdraw. If the market doctors disagree—if forecasters of good standing are diametrically opposed—stay on the side lines. Sometimes it is just as profitable to be patient in the retention of cash as in holding securities.

Fix in advance, so far as possible, a level at which to buy or to sell and stick to the figure. Carefully reasoned calculations are soundest but are likely to be distorted by the speculative atmosphere of the moment. If stock has been sold at the beginning of a bear market, pick out some level at which it is to be replaced and adhere to the initial judgment. Pursue the same tactics in locating a selling level in a bull market. Who in the brokerage business can fail to recall in roaring bull markets predictions from reliable sources that "General Motors will double"? And then, when the magical figure was reached, be told that "It is still cheap"—the sequel usually being a decline.

**Never Quarrel With Tape**

Never challenge what has the earmarks of a reversal of the main market trend. There is a lot of hard-boiled advice in "Never quarrel with the tape." A sharp break after a protracted, outstanding rise should never be regarded as a buying opportunity. When an initial recovery starts after a sickening liquidating movement, short sales should not be attempted merely because the market has apparently moved up too fast.

The corollary of all this is that if averaging, which is dangerous, is attempted, it should be always with instead of against the trend. Never fight a trend, so buy additionally as stocks rise and sell additionally as the market declines.

Reversal of a major movement, a rally in a bear market or a reaction in a bull market, both of which are deceptive and difficult to analyze, on the average amount to 33-1/3% to 50% of the first price movement. The most salient characteristic of the tapering off of a so-called "corrective movement" is dullness, at the top of a rally or the bottom of a reaction.

Sometimes propounded is the query: When is it best to buy and to sell stocks? No easy rule, as when it is safe to eat oysters, can be advanced in this respect. Statisticians have studied seasonal market movements galore only to make the worst of prognostications. Though business is most markedly subject to the seasonal influences of spring and fall buying, it by no means follows that the spring or fall are the best times to buy in good times or to sell in periods of depression. The only strongly defined seasonal movement over the years that held true in the vast majority of both bull and bear markets, is the January rise which begins in the latter part of December and slackens by the second week of January.

**News No Longer "Discounted"**

That "news favors the trend" is one of the oldest of speculative maxims. If a market is headed upward, something unexpected is constantly occurring to accelerate the advance, and vice versa in a bear market. No one ever knows whence and when an event that may transform the stock market picture will occur, though one will always hear at the bottom of a bear market "What can occur to put stocks up?" and, at the top of a bull market, "What can put the market down?" It is the unexpected that is always taking place in the market place, though what are regarded as "accidents" invariably favor the line of least resistance.

It seems that under today's governmental regulations major news developments are seldom discounted in advance. Years ago the tritest of axioms was to "Sell when the good news is out." Now that insiders and manipulators, always prone to attempt to capitalize news in advance, are barred from the speculative arena, the tendency is for the market to respond to news after it is made public. But such a premise doesn't necessarily usurp the time-honored function of the stock market as a whole of interpreting the future business and profits trend of industry.

**"Cut Losses Short"**

A hoary old axiom, still disregarded by the public, is "cut losses short and let profits run." What that means is quickly to abandon a position that appears to be unsound, but to retain to the very limit—through the exercise of patience—a profitable trend. The judicious use of stop orders is the best insurance against allowing losses to pile up.

Comfort oneself with the knowledge that few speculators can ever get the tops or bottoms of big market swings. Discounting errors of judgment, it is physically impossible for a big body of speculators to sell at the top and buy at the bottom for the plain reason that the market isn't big enough. Exact bottoms and tops are usually made on a minor volume of transactions. One of the biggest market operators always maintained that less than 10% of the people in the stock market ever got out in the top area.

**Buy or Sell "At Market"**

The same operator, who naturally traded on a huge scale, always made it a practice of buying only when he could secure an important line of securities in a narrow range, say within a point or so, and to sell when the market was big enough to take big offerings in a narrow range. Following that method on a large or small scale is productive of the greatest speculative efficiency, for it simply amounts to sound merchandising—which is the essence of speculation.

In nine cases out of 10 it is best to buy or to sell "at the market." Let the broker do the best he can instead of straining for a fractional point or so of advance. Fortunes have been lost in holding out for a round price or a set profit.

Never rely too much on businessmen or "insiders." An insider can recommend a stock, but he seldom can advise selling because of the harm it conceivably might do to his company. The average businessman most of the time finds it hard to reconcile the market with his own business, and, though he has learned from experience to pay attention to sudden liquidation as a warning of bad times, he seldom has the vision to sell when the skies are clearest and to buy when the clouds are darkest. Speculators usually start the ball rolling in one direction or another and businessmen follow along.

Above all, read and reflect. Nothing is more vital, except good health, than the preservation of capital. The history of fortunes shows that it is more difficult to conserve than to accumulate. It will always be an ever-changing world and consequently the market will always fluctuate. Forget the present and strive to visualize what can take place three or four months hence.

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SAFETY DIVERSIFICATION MARKETABILITY YIELD

THE PROBLEM OF INVESTING MONEY

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How Canada's Varied Export Trade Benefits Manufacturers, Retailers, Farmers, Workmen, All of us!

EXPORT orders quicken the whole business life of Canada.

When the farmer gets a good price for his cattle in Chicago or Buffalo, or when the orchardist sells his apples at a profit in London or Rotterdam, or the fox rancher makes money on his furs sold in London or New York, or the fisherman obtains ready markets abroad for his fish, or there is a good demand abroad for Canadian automobiles, then retailers in his community do better business. They employ more help, order more goods from the manufacturer, who in turn employs more help, and the help spend more money. Economists have estimated that an increase of $100 million in exports will in turn increase national income by at least another $100 million with possibilities of increasing up to as high as $350 million. That will give you some idea how important export trade is to the livelihood of our population.

The importance of export trade to Canada and Canadians in all walks of life, is fully recognized by the Dominion Government. The Department of Trade and Commerce maintains a force of experienced Trade Commissioners in every major trading country. These men serve to bridge the gap between the Canadian shipper and the foreign buyer.

Last year these Trade Commissioners dealt with roundly 10,000 inquiries from Canadian exporters and foreign importers. They aided directly in establishing 700 sales agencies for Canadian firms. They helped to secure substantial orders for many kinds of Canadian products, such, for example, as timber orders for shipment to Scotland, mining supplies to South Africa, poultry to England, fish to Colombia and Germany, potatoes to Hong Kong, lumber to the United States.

The success of Canada in opening up so many markets in other lands for Canadian products, both natural and manufactured, has been a remarkable achievement and has earned the respect of the nations of the world. Today Canada is shipping to other countries four million dollars' worth of merchandise a day. Last year Canada's exports reached the gigantic total of $1,124,960,000. More than a billion dollars! That surely is a trading accomplishment to make every Canadian proud.

*Inquiries are solicited from firms or organizations interested in export trade.*

DEPARTMENT OF TRADE AND COMMERCE
HON. W. D. EULER, M.P., *Minister* — Ottawa — J. G. PARMELEE, *Deputy Minister*

Insurance

# Slight Drop In Life Sales In Half Year

## Down 1.6% from 1937 But Well Above 1936

### JUNE ALSO LOWER

Sales of ordinary life insurance in Canada and Newfoundland in the first six months of 1938 had a total value of $190,049,000. This compares with $193,116,000 in the corresponding six months of 1937 and $181,300,000 in 1936. It will be seen that while there has been a slight decline from the figures of a year ago (1.6%) the sales of life insurance have held up well. The figures given are compiled by the Life Insurance Sales Research Bureau from returns by 18 companies having 87% of the total business in force exclusive of group and wholesale insurance, annuities, pension bonds without insurance, reinsurance, revivals, etc. Increases were shown for the half year in British Columbia, Alberta, Manitoba, Ontario, Nova Scotia and Newfoundland.

For the month of June the sales totalled $35,120,000. While this was $2,788,000 lower than in June of last year it was higher than in June, 1936, when the figures were $31,247,000. Increases were shown by Manitoba, Ontario and Newfoundland. Compared with the preceding month of May a gain of $4,778,000 is shown.

Detailed sales by provinces were as follows:

| | June 1938 $ | June 1937 $ |
|---|---|---|
| British Columbia | 2,790,000 | 3,008,000 |
| Alberta | 1,361,000 | 1,403,000 |
| Saskatchewan | 851,000 | 1,556,000 |
| Manitoba | 2,227,000 | 1,845,000 |
| Ontario | 16,246,000 | 16,094,000 |
| Quebec | 8,938,000 | 11,193,000 |
| New Brunswick | 824,000 | 1,074,000 |
| Nova Scotia | 1,425,000 | 1,441,000 |
| Prince Edward Island | 105,000 | 152,000 |
| Newfoundland | 353,000 | 342,000 |
| | 35,120,000 | 37,908,000 |

Details of sales by months since January, 1935, are as follows:

Ordinary Life Sales
(a) Sales by Month, 1935-1938
($000 omitted)

| | 1935 | 1936 | 1937 | 1938 |
|---|---|---|---|---|
| Jan. | 32,988 | 33,347 | 27,789 | 30,606 |
| Feb. | 28,716 | 28,834 | 30,619 | 31,204 |
| Mar. | 31,416 | 30,552 | 32,322 | 32,796 |
| Apr. | 28,900 | 28,876 | 32,562 | 29,981 |
| May | 27,423 | 28,411 | 31,916 | 30,342 |
| June | 32,112 | 31,247 | 37,908 | 35,120 |
| July | 32,155 | 31,396 | 32,364 | ..... |
| Aug. | 26,854 | 23,547 | 28,274 | ..... |
| Sept. | 26,696 | 28,090 | 27,514 | ..... |
| Oct. | 30,416 | 29,402 | 33,762 | ..... |
| Nov. | 35,158 | 36,710 | 38,312 | ..... |
| Dec. | 36,550 | 34,146 | 36,908 | ..... |

Sales by provinces for the first six months of 1938 compared with 1937 were as follows:

| | First Six Months 1938 $ | 1937 $ |
|---|---|---|
| British Columbia | 15,151,000 | 14,851,000 |
| Alberta | 7,592,000 | 7,116,000 |
| Saskatchewan | 4,290,000 | 6,157,000 |
| Manitoba | 10,453,000 | 9,548,000 |
| Ontario | 86,751,000 | 86,705,000 |
| Quebec | 50,794,000 | 54,497,000 |
| New Brunswick | 4,765,000 | 4,956,000 |
| Nova Scotia | 7,511,000 | 6,897,000 |
| Prince Edw. Island | 707,000 | 740,000 |
| Newfoundland | 2,035,000 | 1,649,000 |
| | 190,049,000 | 193,116,000 |

## Consolidated Sand To Pay on Preference

Consolidated Sand & Gravel, a subsidiary of Standard Paving & Materials, has declared a dividend of $3.50 a share on its preference stock. This payment is for the six months ending Feb. 15, 1938, and will be made August 15 to shareholders of record July 30. The last previous payment was $7 a share on December 15 of last year.

After this payment, arrears of dividend on the preference stock will amount to $33 a share.


FIDELITY Insurance Company of Canada TORONTO

The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company—in volume; in strength; and in service to "select" property-owners and agents.
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FIRE, WINDSTORM, AUTO, CASUALTY

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH Chief Agent
CONCOURSE BUILDING TORONTO
Fire and Allied Lines Written in Associated Companies
World's Greatest Automobile Mutual

MAKE YOUR FIRE INSURANCE pay you dividends . . .
BRANCHES ACROSS CANADA
Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Moncton, Winnipeg, Saskatoon, Calgary, Edmonton, Victoria, Kelowna, Vancouver
Last year $1,291,497 was returned to our policyholders. May we tell you how you may participate in these dividends in 1938? Write or telephone our nearest office.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
NON-ASSESSABLE POLICIES ASSETS $7,683,067


# Stocks Meeting Requirements

Canadian stocks which meet the strict requirements for insurance company investment, as listed by Cochran, Murray & Hay, Toronto investment firm, are:

PREFERRED STOCKS:

Prices as at July 18, 1938

| | Call Price | Dividend Rate | | Approx. Price | Stock Yield |
|---|---|---|---|---|---|
| Agnew Surpass | 110 | 7% | Cum. Conv. | 108 | 6.48 |
| Associated Breweries | 110 | 7% | Cum. | 110½ | 6.33 |
| Beatty Bros. 1st "A" | 110 | 6% | Cum. Conv. | 98 | 6.12 |
| Belding-Corticelli | N.C. | 7% | Cum. | 131½ | 5.32 |
| Brantford Cordage 1st | 26½ | 5.2% | Cum. | 25 | 5.20 |
| Calgary Power | 105 | 6% | Cum. | 87 | 6.89 |
| Canada Northern Power | 110 | 7% | Cum. | 106 | 6.60 |
| Canadian Bronze | 105 | 5% | Cum. | 108 | 4.63 |
| Canadian Canners | 23 | 5% | Cum. | 19 | 5.26 |
| Canadian Cottons | N.C. | 6% | Non Cum. | 105 | 5.71 |
| Canadian Fairbanks-Morse | N.C. | 6% | Cum. | 103 | 5.83 |
| Canadian Industries | N.C. | 7% | Cum. | 160 | 4.37 |
| Canadian Oil | N.C. | 8% | Cum. | 118 | 6.78 |
| Can. West. Nat. Gas | 105 | 6% | Cum. Ptcp. | 92 | 6.52 |
| Dominion Glass | N.C. | 7% | Cum. | 145 | 4.82 |
| Dominion Textile | N.C. | 7% | Cum. | 145 | 4.82 |
| Goodyear Tire & Rubber | 52½ | 5% | Cum. | 56 | 4.46 |
| Guelph Carpet | 105 | 6½% | Cum. Conv. | 104 | 6.25 |
| Intercolonial Coal | N.C. | 8% | Cum. | 127 | 6.29 |
| International Milling | 105 | 5% | Cum. | 102½ | 4.87 |
| International Nickel | 120 | 7% | Cum. | 137 | 5.10 |
| Imperial Tobacco | N.C. | 6% | Cum. | 8 | 3.75 |
| Loblaw Groceterias "A" | 50 | 50c | Cum. Ptcp.* | 23½ | 5.31 |
| Montreal Cottons | N.C. | 7% | Cum. | 100 | 7.00 |
| Moore Corp. "A" | N.C. | 7% | Cum. Conv. | 155 | 4.51 |
| Moore Corp. "B" | N.C. | 7% | Cum. Conv. | 202 | 3.46 |
| McColl-Frontenac | 105 | 6% | Cum. | 98 | 6.12 |
| National Breweries | N.C. | 7% | Cum. | 42½ | 4.11 |
| N.S. Light, Heat & Power | N.C. | 6% | Cum. | 106 | 5.66 |
| Ogilvie Flour Mills | N.C. | 7% | Cum. | 154 | 4.54 |
| Ottawa Light | 103 | 5% | Cum. | 100 | 5.00 |
| Penman's Ltd. | N.C. | 6% | Cum. | 125 | 4.80 |
| Power Corp. 1st | 110 | 6% | Cum. | 98 | 6.12 |
| Provincial Paper | 107 | 7% | Cum. | 103 | 6.79 |
| Rolland Paper | 105 | 6% | Cum. | 100 | 6.00 |
| The Robert Simpson | N.C. | 6% | Cum. | 113 | 5.30 |
| St. Lawrence Flour | N.C. | 7% | Cum. | 140 | 5.00 |
| Southern Canada Power | N.C. | 6% | Cum. Ptcp. | 106 | 5.66 |
| Standard Fuel | N.C. | 6½% | Cum. | 55 | 11.81 |
| Steel Co. of Canada | N.C. | 7% | Cum. Ptcp. | 66 | 2.65 |
| G. Tamblyn | 52½ | 5% | Cum. | 53 | 4.71 |
| Toronto Elevators | 52½ | 5¼% | Cum. | 44 | 5.96 |
| Tuckett Tobacco | N.C. | 7% | Cum. | 160 | 4.37 |
| Western Grocers | N.C. | 7% | Cum. Ptcp. | 116 | 6.03 |
| Hiram Walker-G. & W. | 20 | $1.00 | Cum. | 18¾ | 5.33 |
| George Weston | 105 | 5% | Cum. Conv. | 86 | 5.81 |

* Participating dividend 75 cents.

COMMON STOCKS.

| | High 1937-8 | Approx. Current Price | Estimated Disbursements 1938 | Current Yield |
|---|---|---|---|---|
| **Banks, etc.** | | | | |
| Bank of Commerce | 211 | 172 | 8.00 | 4.65 |
| Bank of Montreal | 245 | 220 | 8.00 | 3.63 |
| Royal Bank | 227 | 182 | 8.00 | 4.39 |
| Bank of Nova Scotia | 340 | 298 | 12.00 | 4.02 |
| Dominion Bank | 250 | 204 | 10.00 | 4.90 |
| Bank of Toronto | 273 | 238 | 10.00 | 4.20 |
| Imperial Bank | 251 | 202 | 10.00 | 4.95 |
| Canada Permanent | 160 | 135 | 8.00 | 5.92 |
| Central Canada | 175 | 185 | 8.00 | 4.32 |
| Huron & Erie | 95 | 70 | 4.00 | 5.71 |
| National Trust | 210 | 195 | 8.00 | 4.10 |
| Toronto General | 110 | 79 | 4.00 | 5.06 |
| Toronto Mortgage | 126 | 116 | 6.00 | 5.17 |
| Ontario Loan | 112 | 108 | 5.00 | 4.02 |
| **Industrials** | | | | |
| Belding-Corticelli | 107 | 100 | 4.00 | 4.00 |
| Bell Telephone | 178 | 162 | 8.00 | 4.93 |
| British American Oil | 26½ | 21½ | 1.00 | 4.65 |
| F. N. Burt | 44½ | 20 | 1.20 | 6.00 |
| Canadian Industries "B" | 249 | 202 | 7.00 | 3.46 |
| Consumers' Gas | 211 | 180 | 10.00 | 5.55 |
| Dominion Bridge | 58⅝ | 32 | 1.20 | 3.75 |
| Dominion Glass | 118 | 100 | 5.00 | 5.00 |
| Dominion Textile | 86 | 67 | 5.00 | 7.46 |
| Fanny Farmer | 25½ | 18¾ | 1.75 | 9.33 |
| Imperial Oil | 24¾ | 17½ | 1.25 | 7.14 |
| Imperial Tobacco | 15½ | 16 | .62½ | 3.90 |
| Inter. Petroleum | 39½ | 26 | 2.50 | 9.61 |
| Montreal L., H. & P. | 37¼ | 29½ | 1.50 | 5.08 |
| Montreal Telegraph | 65 | 60 | 3.20 | 5.33 |
| Montreal Tramways | 102 | 80 | 9.00 | 11.25 |
| National Breweries | 42½ | 41½ | 2.00 | 4.81 |
| Ogilvie Flour Mills | 37½ | 30 | 1.00 | 3.33 |
| Penmans Ltd. | 63¾ | 49 | 3.00 | 6.12 |
| Steel Co. of Canada | 96½ | 70 | 1.75 | 2.50 |
| **Mines** | | | | |
| Cons. Min. & Smel. | 100½ | 60 | 3.00 | 5.00 |
| Dome Mines | †61¼ | 29¾ | 2.00 | 6.72 |
| Hollinger Cons. | 15½ | 14¾ | 1.10 | 7.45 |
| Lake Shore Mines | 59¼ | 51½ | 5.00 | 9.70 |
| McIntyre Porcupine | 45 | 44 | 2.00 | 4.54 |
| Noranda Mines | 83 | 69 | 3.50 | 5.07 |
| Teck-Hughes | 6 | 4½ | .45 | 10.00 |
| Wright Hargreaves | 8¼ | 7½ | .70 | 9.33 |

† Equivalent before 2 for 1 split.

# Insurance Gives Lead

(Continued from page 1)

not for private dwelling, but for four-family houses and apartment houses. Not a company was found which is making any loans in rural areas.

Insurance companies are very sharply restricted as to the type of stocks they may buy. Hence the actual stocks purchased by the life companies are a guide for the private investor mainly in regard to trend and type which might be expected to withstand possible shocks best and to profit most from favorable economic factors.

Another way in which the insurance company investment problem differs from that of the private investor is this: the insurance company has great sums coming in for investment almost daily. How much those sums can earn at interest—in short, the yield—is the first consideration. Market appreciation in value is secondary. The private investor in general wants to move into the market when it is down, move out when it is high. Capital gain is often the major aim, yield second.

Because insurance houses are almost continually investing, their interest in market ups and downs is minor.

As mentioned, the Canadian requirements which make a stock eligible for purchase by an insurance company are strict. A five-year unbroken record of dividend payments is required for preferreds. Common stocks have to make an even more impressive showing with an unbroken seven-year record. In the case of common stocks without par, or stated value, payments must have been at least $4 a share annually.

With a stated par value, the payments must have been at least 4% per year.

Then there is a further restriction in that total book value of an insurance company's common stock holdings must not exceed 15% of its total assets.

**Emphasizing Past Record**

Obviously restrictions such as these place greatest emphasis on a company's past record. It may be questioned whether or not it gives as much importance as is advisable to the current position. In other words, a company that fails to meet the stringent dividend requirements of Canadian insurance laws, but is steadily improving its position, may be a more desirable investment under today's conditions. But ability to pay dividends throughout a lengthy period, that includes both prosperity and depression, is a pretty fair indication of ability to meet conditions as they come.

While these stocks appear to meet all requirements, some of them have been questioned, usually on account of some change in their capital set-up in the last few years. Or it may be that dividends were paid in stock at some time during the seven-year probation period. This is the case with Consolidated Mining & Smelting Co. Fanny Farmer Candy Shops is another. In this case a change was made from no par value to a stated par value. While the insurance company act provides for a change from par to no par, the reverse is not mentioned specifically. But the stock has been purchased by insurance companies and so far no objections received.

Another border line case is Page-Hersey Tubes. This company has paid dividends regularly each year since 1926, but in some of these years payments on the no par value stock were less than the required $4 a share.

While Loblaw Groceterias A shares have never been questioned as to their eligibility, it has usually been considered that they qualify because of the 50 cent a share annual preference that this stock holds over the class B, although the same dividends have always been paid on each stock. At any rate, Loblaw B is now included in the list of eligibles.

The seven-year dividend record requirement naturally means that some younger companies are coming closer to eligibility and the list can be expected to change from time to time.

## Staff Changes

The Bank of Nova Scotia announces the following staff change:

J. T. HOLDER has been appointed manager at Sheet Harbor, Nova Scotia.

The Canadian Bank of Commerce announces the following staff change:

A. M. WATT, formerly manager at Bawlf, Alta., to be manager at St. Paul, Alta.

# Submit Plan For Pembroke

## Refunding Waits on Approval of Ontario Municipal Department

Refunding plan of Pembroke, Ont., is being sent out to debenture holders, bearing the approval of the Informal Bondholders' Committee and the Pembroke council. Approval of 75% of the debenture holders and the Ontario Municipal Board will be necessary before the plan finally goes into effect. When the debenture holders' approval is received, date for hearing by the Municipal Board will be set.

New debentures, maturing in 7 to 20 years, for $650,092 of unmatured debentures are to be issued, bearing the same face value and interest rate to maturity and thereafter at 4½%. Cash payment of past due coupons is to be made at present rates.

**Matured Principal**

Matured principal amounts to $189,887. On the 1934 maturities, cash payment is to be made in full of principal, plus past due interest at coupon rate to maturity and thereafter at 4½% to date to be set for payment.

Of the 1935 maturities, $12,438 is to be settled by payment in cash in full of principal, plus past due interest at coupon rate to maturity and at 4½% thereafter to date to be set for payment. The remaining debenture holders are to receive new one to three year 4½% debentures of the same face value, plus cash payment of past due interest at present coupon rate to present date of maturity and thereafter at 4½%.

New three to seven year 4½% debentures of same face value are to be issued for debentures of 1936-1937 maturities, plus cash payment of past due interest at present coupon rates to present date of maturity and thereafter at 4½%.

The plan for the refunding of the debentures of the Pembroke Roman Catholic Separate Schools is substantially the same as the Pembroke Town plan.

**Separate School Plan**

New refunding debentures, maturing in 8 to 17 years, of same face value are to be exchanged for unmatured debt of $27,180. The coupons are to bear present interest rate to present maturity and thereafter at 4½%. Payment of past due interest is to be made in cash.

Cash payment in full is to be made on principal of $3,680 of debentures matured in 1934, plus accrued interest at the rate of 4½% from date of maturity in 1934 to date set for payment.

New two to eight year 4½% debentures of same face value will be issued for $12,420 of debentures matured 1935 to 1937, plus cash payment of past due interest at present rate to maturity and thereafter at 4½% to last interest date in 1937. Past due interest will be paid to June 14, 1937, with interest from this date at 4½% until paid.

Guaranty Trust Company of Canada is the fiscal agents.

**Relief Costs High**

Pembroke defaulted in March, 1934, on payment of principal. Interest payments falling due prior to Jan. 31, 1934, were paid in full but only 4% was paid on that date and to Dec. 31, 1934. Nothing was subsequently paid. Since 1934 the town has been operating under supervision of the Department of Municipal Affairs.

Default was brought about by high relief costs and tax arrears, according to the report to bondholders. About 45% of the total debt is represented by school debt and 30% by the waterworks department.

# Insurance Notes

A. W. Anderson, F.A.S., A.A.I.A., G. H. Johnson, B.A., F.A.S., F.A.I.A., and T. E. Gill, B.A., F.A.S., F.A.I.A., have been appointed assistant actuaries by the London Life Insurance Company.

* * *

"We can't sell life insurance from a catalogue." Such was the declaration of the president of Sears, Roebuck & Co., explaining the recent sale of their life insurance branch, The Hercules Life, to the Occidental Life Insurance Co.

* * *

A somewhat novel proposal has just been submitted to the Manitoba Government by the Interlake district municipalities. They are asking for legislation which would require insurance companies to notify the municipality of all insurance money paid the taxpayers. By this means, they argue, a municipality might be in time to collect tax arrears from ratepayers.

* * *

Unless Province of Quebec taxi-owners comply with the wishes of the Quebec Public Service Commission in obtaining sufficient insurance to protect their passengers, their permits will be cancelled, according to the chairman, Antoine Lamarre. The taxi men are being given 15 days to arrange their insurance.

* * *

The city of Windsor has been having an argument about fire insurance rates with the Canadian Underwriters Association. Fire Chief De Fields believes that some compromise can be reached in which the key rate for the city will be reduced and at the same time the city will not carry out all the fire fighting improvements proposed by the representatives of the insurance companies.

## Insurance Licenses

The federal department of insurance announces grant of license to the following companies to transact, in addition to the classes for which they are already licensed, the following types of insurance:

**The Phoenix Insurance Co.**—Aviation, excluding insurance against liability for loss to persons caused by aircraft.

**Toronto General Insurance Co.**—Fire, accident, automobile, burglary, forgery, guarantee, inland transportation, personal property, plate glass, sickness, weather, falling aircraft, earthquake, tornado, sprinkler leakage, explosion, civil commotion, hail, and insurance against loss to property caused by vehicles, limited to the insurance of the same property as is insured under a fire policy.

**Canadian General Insurance Co.**—Fire, accident, automobile, burglary, explosion, forgery, guarantee, inland transportation, livestock, personal property, plate glass, sickness, sprinkler leakage, tornado, falling aircraft, earthquake, civil commotion, hail and insurance against loss caused by vehicles, limited to the insurance of the same property as is insured under a fire policy.

# B. C. Pays Debt Out of Revenue

The British Columbia treasury is in a better condition than it has been since 1929, according to Minister of Finance John Hart. A loan of $2 millions has been paid off from revenue, the minister has announced. He said:

"We have met out of current revenue a maturity of July 15, a short-term loan floated to pay part of the cost of the New Westminster bridge. This loan has been retired without refunding and without taking a cent from our sinking fund."

Mr. Hart added that the province is in a position to meet the loans of approximately $13 millions which will mature in the next two years.

# B.C. Power Co. Earns Dividend

## Results for 11 Months Indicate Profits of Over $2 a Share

From Our Own Correspondent

MONTREAL.—For the fiscal year which ended June 30, British Columbia Power Corp. will show the $2 dividend on its Class A stock fully earned.

Company's report will not be available until early in September, but results for the 11 months ended May 31 indicate earnings will be in excess of $2 a share. In the year ended June 30, 1937, profits equalled $1.77 a share. Profits in the first 11 months, after operating charges, depreciation, bond interest and preferred dividends of subsidiaries, totalled $1,945,571, equivalent to $1.94 a share on the Class A stock. This compares with $1,875,905, equal to $1.87 a share, in the 11 months ended May 31, 1937.

These figures are before year-end adjustments. For the year ended June 30, 1937, net profit was lower than the 11-month figure shown above, being equivalent to $1.77 a share. This was due to the writing off of $293,792 of bond discount on the old bonds which were refunded early in 1937.

**Lower Write-offs**

Amortization of bond discount will not be so large for the year ended June 30 last. Bond expenses deferred, including premium and exchange on bonds redeemed and discount on new bonds, are carried in balance sheet at $1,193,584. Assuming this is written off over the term of the present bonds, the annual provision for writing off bond expenses will be about $55,000 annually.

Improvement in earnings has been largely due to lower fixed charges as a result of refunding of the company's bonds. Revenue for the first 11 months was up $162,087 to $13,858,584. However, operating increased by $206,898, so that net earnings were $44,811 lower, at $4,072,979. Interest, dividends on preferred stocks of subsidiaries, etc., was $114,477 lower at $2,127,408. As a result the amount available for the Class A stock shows an increase of $69,666.

Contributing to the saving in fixed charges has been the elimination of exchange on United States and sterling funds. The old bonds were triple pay while present bonds are payable in Canadian funds only. In the year ended June 30, 1937, exchange charges amounted to $28,292 and in the previous year to $52,932.

## Ontario Paper Forms Quebec Subsidiary

From Our Own Correspondent

MONTREAL.—The Ontario Paper Co. has incorporated the Quebec North Shore Paper Co. to operate its properties in Quebec. This includes the new newsprint mill at Baie Comeau.

Quebec incorporation of an operating company which will have direct control of the properties is in line with the desire of the Quebec Government that companies using natural resources of the province should be subject to Quebec laws. As a result of the change the Quebec Government has secured $250,000 in transfer duties.

The share capital of Quebec North Shore Paper Co. consists of 250,000 no par value common shares.

## Confederation Life New Business Up 11%

Confederation Life Association reports an increase of 11% in new business for the first six months of 1938. C. D. Devlin, general superintendent of agencies stated that the six months are the best half yearly period since the first half of 1931. Mr. Devlin also pointed out that June production was the best of any month since June, 1931.

Total business of the Confederation Life at the end of June touched a new high mark at $418,286,726. Gains were shown in Ontario, Quebec, Nova Scotia, Prince Edward Island, Manitoba, British Columbia and Alberta. Business in Great Britain, Cuba and Central America was also higher.

The increase in so many countries is pointed to by Mr. Devlin as an indication that world conditions as well as Canadian business are definitely on the up grade.

## Weekly Bank Clearings

| | July 21 1938 $ | Change Year ago % | July 14 1938 $ |
|---|---|---|---|
| Halifax | 2,757,540 | + 1.6 | 2,599,951 |
| Saint John | 2,003,417 | — 2.9 | 1,807,196 |
| Moncton | 872,068 | + 1.8 | 679,816 |
| Sherbrooke | 700,104 | — 8.8 | 678,566 |
| Quebec | 5,430,007 | +12.2 | 4,756,867 |
| Montreal | 104,120,761 | + 2.6 | 98,589,032 |
| Ottawa | 13,846,769 | — 9.0 | 16,274,049 |
| Kingston | 605,357 | — 0.07 | 595,386 |
| Peterborough | 631,314 | — 2.6 | 674,687 |
| Toronto | 100,104,310 | — 8.7 | 98,654,758 |
| Hamilton | 5,163,229 | — 4.2 | 4,942,962 |
| Kitchener | 1,103,914 | — 2.8 | 1,024,370 |
| Chatham | 471,112 | — 3.0 | 520,221 |
| Brantford | 919,034 | + 2.4 | 834,657 |
| London | 2,588,189 | — 4.9 | 2,483,290 |
| Windsor | 2,856,704 | —12.1 | 2,275,060 |
| Sarnia | 551,365 | + 2.3 | 516,075 |
| Sudbury | 974,853 | + 6.2 | 1,139,974 |
| Fort William | 866,825 | +20.7 | 625,914 |
| Winnipeg | 24,001,836 | —36.4 | 22,585,828 |
| Brandon | 382,215 | +24.0 | 340,609 |
| Regina | 3,082,490 | + 5.0 | 3,306,793 |
| Moose Jaw | 573,882 | — 8.3 | 535,687 |
| Saskatoon | 1,141,367 | —12.9 | 1,071,285 |
| Prince Albert | 321,264 | —13.1 | 287,223 |
| Edmonton | 3,910,993 | — 0.9 | 3,367,311 |
| Calgary | 4,641,351 | —26.1 | 3,800,769 |
| Medicine Hat | 267,499 | —14.2 | 190,220 |
| Lethbridge | 425,061 | — 9.0 | 434,295 |
| N. W'minster | 618,449 | — 7.2 | 637,746 |
| Vancouver | 16,552,266 | — 9.5 | 15,374,809 |
| Victoria | 1,740,144 | —10.6 | 1,734,602 |

# Bank Chat

W. T. Wilkins, manager of the Chatham branch of the Bank of Montreal, was speaker at a recent dinner of the Rotary Club.

* * *

When F. R. Wallace, manager of the Bank of Commerce, Burlington, for eight years was transferred to Woodstock, Ontario, recently the town folk tendered him a banquet and presented him with a gold wrist watch.

* * *

Arthur Rogers, Secretary-Treasurer of the Canadian Bankers Association, went to his home town Amherst, Nova Scotia, for a fishing holiday and to visit his parents. While there he told the Rotary Club what Mr. Aberhart's complaint is about the banks.

* * *

American bankers of late have been excitedly shouting the merits of the American unit bank system as opposed to the Canadian branch system. As somebody in Shakespeare said, "Methinks (the lady) doth protest too much." Branch banking seems to be creeping up on them and a lot of them don't like it.

* * *

Reginald Lee Ritchie, former manager of the Montreal main branch of the Royal Bank of Canada, died recently at Saint John, New Brunswick. In March of this year he retired on pension and had gone to live in the Maritimes. He was a native of Halifax and son of a judge of the Nova Scotia Supreme Court. He had served in Guelph, Regina, Winnipeg, Halifax and Montreal.

* * *

Manager of the Montreal Clearing House, Andrew William Ridout, died recently following a heart attack, aged 73. Born at Port Hope, Mr. Ridout joined the Canadian Bank of Commerce at Montreal in 1881 and served at Ottawa, Hamilton, Toronto, Windsor, Walkerville and Regina. In 1920 he went to head office as manager of the Securities Department and in 1925 to the Clearing House.

* * *

Once again demonstrating the worth of the branch system, The Canadian Bank of Commerce has a branch going in Zeballos, the British Columbia mining camp, itself hardly a year old. As usual, this pioneer branch is located in an unfancy frame building but it has a big sign and a flag on its roof and it brings a bank with nation-wide services and giant reserves to the edge of the frontier.

Let the unit bankers put that in their pipes.

* * *

The rumor is again going the rounds that Montagu Norman of the pointed beard and the broad brimmed hat, Governor of the Bank of England, is going to retire.

This time, according to London's News Review, it is more than a rumor and his friends reportedly state that he will be finished in another year. The reason? He is tired and wants to have more time for his literary studies. Among his hopes before he goes, however, is solidification of an Anglo-German understanding. The Germans and the British, he holds, have so much in common that they ought to be closer together. He prefers Germans to French and Italians.

## Bank of Canada Weekly Statement

Reversing the trend of the previous week, the statement of the Bank of Canada as of July 20 shows an increase in holdings of sterling and United States dollars. An increase of $2.7 millions is shown for the week compared with a decrease of $6.3 millions at the date of the previous report. The gain was probably due to gold shipments.

Among the liabilities, the chief change was an increase of $1,192,797 in the deposits by the chartered banks with the Bank of Canada. Deposits by the Dominion Government in the central bank were also slightly higher.

Balance Sheet

| Liabilities | July 20 1938 $ | July 13 1938 $ |
|---|---|---|
| Capital paid-up | 10,100,000 | 10,100,000 |
| Notes in circ. | 156,534,272 | 156,873,713 |
| Rest fund | 1,348,414 | 1,348,414 |
| Depos.: Dominion | 13,343,017 | 12,613,438 |
| Banks | 193,823,785 | 192,630,988 |
| Other | 1,931,196 | 1,856,296 |
| Total deposits | 209,097,998 | 207,100,722 |
| All other liabs. | 2,217,483 | 2,241,467 |
| Total liabs. | 379,298,167 | 377,664,316 |
| **Assets** | | |
| Reserve: Gold | 180,508,301 | 181,158,595 |
| Res. in sterling and U. S. | 26,121,308 | 23,351,139 |
| Other curr. | 1,050 | 1,237 |
| Total reserve | 206,630,659 | 204,510,971 |
| Subsidiary coin | 325,502 | 331,309 |
| Investments: | | |
| Dom. govt. short | 114,471,840 | 114,609,919 |
| Other Dom. govt. | 52,684,649 | 52,438,169 |
| Other secs. | 1,007,039 | 1,010,803 |
| Total invest. | 168,163,528 | 168,058,891 |
| Premises | 1,653,977 | 1,639,905 |
| All other assets | 2,524,501 | 3,123,240 |
| | 379,298,167 | 377,664,316 |
| Reserve ratio | 56.51% | 56.18% |

# Twin City Rapid Earnings Decline

## Net Profit For Six Months $54,301, Against $404,042

Earnings of Twin City Rapid Transit Co. for the six months' period ended June 30, 1938, showed a substantial decrease, as compared with the corresponding period in 1938.

Net profit declined to $54,301 from $404,042 in the previous year. Operating revenue dropped to $4,315,618 from $4,749,964 in 1937.

Fixed charges were earned 1.11 times in 1938, in contrast to 1.77 times in 1937.

Income Account
Six Months Ended June 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Oper. revenue | 4,315,618 | 4,749,964 |
| Less: Oper. exps.* | 3,766,260 | 3,837,954 |
| Net oper. revenue | 549,358 | 912,010 |
| Add: Non-oper. inc. | 10,086 | 14,765 |
| Gross income | 559,444 | 926,775 |
| Less: Interest, etc. | 505,143 | 522,733 |
| Net profit | 54,301 | 404,042 |
| Times Fixed Charges Earned | 1.11 | 1.77 |

*Includes taxes assignable of $544,293 in 1938 and $566,462 in 1937.

# Montreal Power Earnings Rise

## Gain Recorded in Miscellaneous and Investment Income

MONTREAL.—An improvement of about $100,000 in net earnings is reported by Montreal Light, Heat and Power Consolidated for the first six months of the current year, as compared with the same period of 1937.

This gain is entirely due to an increase in miscellaneous and investment income. Revenues from electricity and gas sales in the six months' period were lower than in the same period of 1937. At the same time, the company's tax bill increased by about $160,000. During the six months the company paid out $1,485,000 in taxes of various kinds.

Fixed charges for the period were substantially higher than in the first half of 1937. This is entirely due to provision for interest on bonds to be issued under the reorganization plan for Beauharnois Power Corp. Interest on the new securities is cumulative from Jan. 1 of this year.

Net profit for the first half of the year is reported to be equal to about 88 cents a share on the common stock. This compares with 86 cents a share last year.

# Bank to Open Branch In New Mining Centre

From Our Own Correspondent

MONTREAL.—The Bank of Montreal will open a branch at Cadillac, Que., early next month. This will provide the first banking facilities at Cadillac. The town is a promising new gold mining centre, about 25 miles west of Val d'Or. It is close to the well-known O'Brien Gold Mine. The townsite is controlled by the Quebec Government and the community has a population of about 306.


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*Pulp and Paper Industry*

# Newsprint Stocks Down

## Publishers' Stocks Drop 35,876 Tons in June, but Progress is Disappointing

From Our Own Correspondent

MONTREAL.—Progress made in reducing surplus stocks of newsprint during the first half of the year was distinctly disappointing.

At the turn of the year hopes were held out the oversupply of newsprint would be reduced to normal proportions by mid-year. Now it appears it may be the year end before this objective is reached, unless there is a marked change in the trend of newsprint consumption in United States.

The drop in American publishers' stocks in June was somewhat less than in May, amounting to 35,876 tons as compared with 38,334 tons. However, the aggregate results for the month were considerably more favorable. Stocks held by manufacturers dropped 7,506 tons in June whereas there was an increase of 15,624 tons in May. Thus, aggregate American stocks of newsprint fell 43,381 tons in June. The decline in May was only 22,710 tons.

The trend of newsprint stocks since the end of 1937 is shown by the following cablegram.

North American Newsprint Supply (in tons)

| Date: | Mfrs. | Publish. | Total |
|---|---|---|---|
| Dec. 31, 1937 .. | 110,626 | 766,758 | 877,384 |
| Jan. 31, 1938 .. | 185,181 | 697,353 | 882,534 |
| Feb. 28 ...... | 232,220 | 629,576 | 861,796 |
| Mar. 31 ...... | 285,004 | 548,630 | 833,634 |
| Apr. 30 ...... | 279,325 | 510,905 | 790,230 |
| May 31 ...... | 294,949 | 472,571 | 767,520 |
| June 30 ...... | 287,443 | 436,696 | 724,139 |
| Net change .. | +176,817 | —330,062 | —153,245 |

Failure to reduce stocks to normal proportions by the end of June is due to several factors. In the first place, consumption has been less than was expected, advertising linage showing a greater decrease than anticipated. Then, again, Canadian manufacturers have allowed production to outstrip demand.

### Mill Stocks

From the figures given in the table above it is apparent the most important factor has been the failure of manufacturers to keep output in line with demand. Since the beginning of the year mill stocks have increased by over 176,000 tons. If production had been limited to demand, the situation would be healthier.

Time required to reduce stocks to normal is a matter of conjecture. It is difficult to say what a normal reserve of newsprint should be owing to fluctuations in consumption. However, there are at least 150,000 tons of surplus paper on the market.

On the basis of results in June, this surplus could be eliminated in a little over three months. The difficulty is there is no assurance the decline will proceed at this rate. Experience in the first half of the year indicates considerable variation in results can be expected from month to month.

### Average Monthly Decline

During the first six months of the year aggregate American stocks declined by 153,245 tons, an average of 25,541 tons monthly. Assuming the rate of decline remains at about the same level, it will be the year end before normal stocks are achieved.

It must be admitted the situation could change fairly rapidly. If business revival really got under way in the United States, advertising linage would increase. This would bring about quickly an increased demand for paper.

## Southland Paper Plans Newsprint Mill in Texas

MONTREAL.—Southland Paper Mills Inc., organized a few months ago, is proceeding with plans for construction of a new newsprint mill in Texas. Contracts for erection of the new mill at Lufkin have been awarded to a New York concern.

The company has secured a large tract of land at Lufkin and the site will be cleared at once for new buildings. Work is scheduled to begin in about a month. Plant will be built in four operating units, comprising several one- and multi-story structures with finished papermaking divisions to have a rated capacity of 50,0000 tons of newsprint per annum.

The entire output of the new mill has been contracted for by a group of southern newspapers, identified with the Southern Newspapers Publishing Association. Cost of the project is estimated at $7.5 millions.

Ernest L. Kurth, of Lufkin, is president of the new company. George F. Hardy, New York, is consulting engineer.

### First All Canadian Trust

Directors of First All Canadian Trustee Shares have declared a dividend of 0.097 cents on its capital stock, 1945 (fund), payable July 15. There is no regular rate of payment on this stock.

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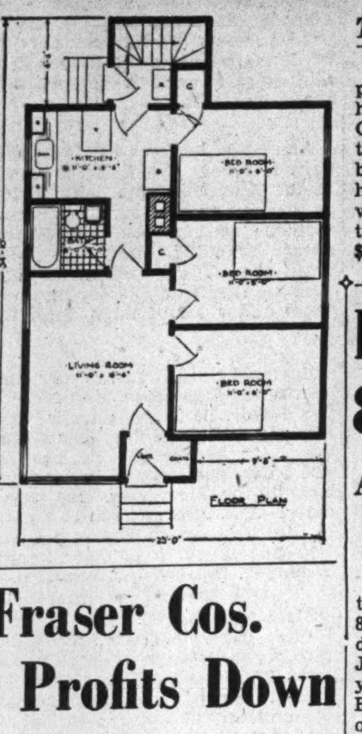
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp




### TEST HOUSE

Here are exterior view and floor plan of the demonstration low cost house constructed at Beachville, Ont., by Gypsum, Lime & Alabastine Ltd. Detailed figures compiled by the company on cost of building, heating and maintaining, point the way to low cost housing on a practical basis. Base cost of dwelling is $2,025.

# Fraser Cos. Profits Down

## Loss $33,622 in Quarter Ended June 30

From Our Own Correspondent

MONTREAL. — Consolidated net income of Fraser Companies and its subsidiaries declined sharply in the first half of the current year. Net income for the six months, before providing for income taxes and subject to adjustment on audit, amounted to $109,307. This is equal to 29 cents a share on the common stock, compared with $1.45 a share for the same period of 1937

The decline in earnings is largely due to lower sales of the company's products. Net operating income at $1,088,052 was down $389,722. Fixed charges declined by more than $4,000, but provision for depreciation was increased by about $50,000.

Operations of the company in the second quarter resulted in a deficit, after providing for depreciation, depletion and fixed charges. For the first three months of the year the company reported a consolidated net income of $142,929. As consolidated income for the first six months is shown at $142,929, it appears there was a net loss of $33,622 in the second quarter.

Comparative income and expenditure account for the first six months of 1938 and 1937 is given below:

Revenue and Expenditures
Six Months Ended June 30

| | *1938 $ | 1937 $ |
|---|---|---|
| Net oper. earnings ... | 1,088,052 | 1,469,774 |
| Less: Bk. & other int. | 34,747 | 13,877 |
| Special loan int. .... | 46,905 | 51,365 |
| Bond interest ...... | 367,984 | 369,779 |
| Int. on def. bond int. | ...... | 18,863 |
| Deprec. & depletion | 529,109 | 478,775 |
| Net profit• ......... | 109,307 | 537,115 |

•Before provision for income taxes.
*Subject to adjustment on audit.

## Ford Motor Enlarges Paper Mill Facilities

MONTREAL.—Another indication of the ever-expanding use for pulp is the plans of the Ford Motor Co. to expand its paper mill facilities at Dearborn, Mich.

The company has announced plans for an extension to cost $300,000 for the purpose of manufacturing new resin boards developed by Ford for use as upholstery backs in car body interiors. The expenditure covers building additions and new equipment that will increase the paper mill capacity by about 40%.

New equipment includes giant paperboard dryer, 156 feet long which is capable of drying binder board almost four times as fast as any machinery type. A new 1,825-ton hydraulic press, also being installed, is the most powerful of its kind in the paper world.

# Building Down 8% This Year

## Advance Shown in Maritimes, B. C., Alberta and Manitoba

Urban building in Canada during the first half of the year declined 8% below the same period of 1937, despite an advance of 9% in the June total over the same month last year. According to the Dominion Bureau of Statistics' monthly report on permits issued in 58 cities of Canada, index of value of building in the first six months of this year dropped to 32.7, compared with 35.6 in the January-June period last year. (1926 equals 100).

The city construction figures contrast with the last Maclean Building Reports' bulletin on contracts awarded in both urban and rural areas. This showed a 31% drop in June and a decline for the first half of the year of 26%. However, the decrease in the contract totals was traceable almost entirely to shrinkage in awards for highway building and large industrial projects. Generally such operations are in areas where building permits are not required.

Permits issued in the 58 cities in June amounted to $6,560,419, bringing to $25,781,207 the total for the first six months. While the latter figure is below 1937, it is higher than the comparable total of any of the years 1932-36 inclusive. The six-month average for the years 1920-37 is $57.5 millions. The index for the half year of building material prices declined 4.4 points to 90.5. This is the highest of any year since 1930 with the exception of 1937.

The fall in the grand total of permits for six months came almost entirely from curtailment of building in Ontario and Quebec. There were also slight decreases in Saskatchewan and P.E.I., but advances were registered by British Columbia, Alberta, Manitoba, New Brunswick and Nova Scotia. In the four largest cities, which between them account for nearly half of Canada's urban building, an increase over 1937 was reported by Vancouver, while Winnipeg, Toronto and Montreal suffered declines.

Building Permits Issued in Canada (First Six Months)

| | 1938 | 1937 |
|---|---|---|
| | —000's of $— | |
| Prince Ed. Island ........ | 38 | 101 |
| Nova Scotia ........ | 849 | 827 |
| New Brunswick ........ | 360 | 287 |
| Quebec ........ | 4,740 | 5,418 |
| Ontario ........ | 10,297 | 13,901 |
| Manitoba ........ | 1,517 | 1,058 |
| Saskatchewan ........ | 308 | 469 |
| Alberta ........ | 1,787 | 923 |
| British Columbia ........ | 5,881 | 5,069 |
| Dominion ........ | 25,781 | 28,056 |
| Montreal ........ | 3,200 | 3,923 |
| Toronto ........ | 3,793 | 4,219 |
| Winnipeg ........ | 763 | 963 |
| Vancouver ........ | 4,684 | 4,377 |

### OSHAWA BUILDINGS

Oshawa Buildings has announced that payment will be made Aug. 5 on interest coupon No. 13, due July 1, 1934, on the company's 6½% first mortgage bonds.

While the buildings have been well occupied, there are no immediate prospects of improvement in rental rates. Taxes have been paid to the end of 1938.

# The Month in Newsprint

From Our Own Correspondent

MONTREAL. — A substantial increase over the preceding month in shipments from Canadian mills to overseas markets, was a feature of North American newsprint developments during June, according to the Newsprint Association of Canada.

The report goes on to say that total production at 287,265 tons was 61.7% of capacity. This was slightly below the May level and 31.7% below June, 1937.

Total shipments at 294,771 tons were equivalent to 63.3% of capacity. They were approximately 5% higher than in May but still 29.4% below a year ago.

In commenting upon results last month, the association says:

"The entire improvement in ship- caused by a rise in overseas sales of 28,639 tons in May to 52,257 tons in June. This latter total was slightly above the figure for June, 1937. Canadian shipments to the United States were actually below the depressed level prevailing in May.

"Total shipments exceeded total production by 7,506 tons and stocks of newsprint held by all North American manufacturers decreased accordingly. Almost all this reduction occurred in Canada. Total North American manufacturers' stocks was 6% above normal at June 30, against 13% above normal at May 31."

| | June 1938 | June 1937 | Year to Date 1938 | Year to Date 1937 |
|---|---|---|---|---|
| **Production** | | | | |
| In Canada .......... | 201,694 | 312,165 | 1,259,871 | 1,787,760 |
| In Newfoundland .......... | 20,189 | 29,681 | 131,852 | 178,117 |
| In U. S. A. .......... | 65,382 | 78,617 | 393,954 | 470,735 |
| Total .......... | 287,265 | 420,463 | 1,785,677 | 2,436,612 |
| **Shipments** | | | | |
| From Canada .......... | 208,476 | 303,632 | 1,130,499 | 1,693,101 |
| From Newfoundland .......... | 20,091 | 37,502 | 98,299 | 138,376 |
| From U. S. A. .......... | 66,204 | 76,387 | 380,062 | 470,191 |
| Total .......... | 294,771 | 417,521 | 1,608,860 | 2,301,668 |
| **Shipments From Canada** | | | | |
| To U. S. A. .......... | 141,055 | 236,888 | 822,278 | 1,341,311 |
| To Canada .......... | 15,164 | 15,659 | 75,142 | 101,518 |
| Total .......... | 156,219 | 252,547 | 897,420 | 1,422,829 |
| To Overseas .......... | 52,257 | 51,085 | 233,079 | 250,272 |
| Total .......... | 208,476 | 303,632 | 1,130,499 | 1,693,101 |
| **Shipments to U. S. A.** | | | | |
| From Canada .......... | 141,055 | 236,888 | 822,278 | 1,341,311 |
| From Newfoundland .......... | 6,141 | 10,211 | 22,414 | 44,013 |
| Total .......... | 147,196 | 247,099 | 844,692 | 1,385,324 |
| From U. S. A. .......... | 66,136 | 75,799 | 379,881 | 468,270 |
| Total .......... | 213,332 | 322,898 | 1,224,573 | 1,853,594 |
| **Shipments to Overseas** | | | | |
| From Canada .......... | 52,257 | 51,085 | 203,079 | 250,272 |
| Can. and Cornbrk. .......... | 54,662 | 55,817 | 263,395 | 277,311 |
| Can. and All Nfld. .......... | 66,157 | 78,336 | 308,684 | 344,357 |

Stocks: North America

| | | 1938 |
|---|---|---|
| All Manufacturers: | End of April .......... | 279,325 |
| | End of May .......... | 294,949 |
| | End of June .......... | 287,443 |
| U. S. A. Publishers: | End of April .......... | 510,905 |
| | End of May .......... | 472,571 |
| Aggregate Total: | End of April .......... | 790,230 |
| | End of May .......... | 767,320 |

*Construction*

# Cheap Housing Test

## Practical Low-cost Methods Demonstrated in Experiment

Actual test by one of Canada's major building materials companies has provided an answer to one of the most important questions in the problem of low-cost housing: Can cheap housing in the minimum cost class offer durability and low maintenance expense in addition to the advantage of low initial cost? Results of the demonstration to date justify a finding that it can, on a practical basis.

The answer "yes" must be qualified. Four main essentials are required if the cheap housing unit is to meet certain standards. These requirements include minimum cost, durability and soundness, and restriction to an economical minimum of the costs for heating periodic refurbishing and other maintenance. Study of the demonstration house in question, erected by Gypsum, Lime & Alabastine Ltd., at an overall cost below $2,500, indicates that these essentials are:

1. Careful planning of the design and specifications of the dwelling.

2. Skilful selection of materials used so as to combine low cost with serviceability.

3. Proper construction methods and sound workmanship to ensure that the finished product is in conformity with specifications.

4. Reasonable costs for site, materials and labor, and preferably assurance of low or moderate taxes.

### Obstacles to Low Cost

Obstacles in the way of valid low-price housing in Canada have been twofold. On the one hand, sponsors and designers of low-cost plans have inclined to be overoptimistic. Actual cost of building units according to their specifications has too often exceeded their estimates. On the other hand, dwellings erected with the primary objective of keeping within an arbitrary low cost estimate have frequently fallen below desirable standards of habitability, durability and maintenance cost.

In many instances, small cost plans appeared valid when translated into detailed bills for materials and labor, or even carried through into actual construction of one or more dwellings. But they proved defective because they would not stand up in actual use, had limited durability, and produced costs for heating, repairs and general maintenance out of proportion to the limited initial cost.

### Comparative Costs

These obstacles have been largely overcome by the test undertaken by Gypsum, Lime and Alabastine, and a practical contribution made toward initiating cheap housing on a definite basis. Company announcement of the results of its experiment not only covers in close detail the specifications and cost of erection, but actual maintenance cost during two years of occupancy. It also provides a concrete basis on which commercial costs of building, renting or sale of cheap houses can be computed for various parts of the country.

A report on the house was deliberately withheld to enable erection costs to be supplemented with results of actual occupancy. Cost to date of repairs, renovation and maintenance has been nil, and heating cost has been well below $50 a winter. Last winter the actual cost was $42 for 3½ tons of anthracite coal, used in a warm-air furnace.

### Cost Figures

Actual cost of constructing the house was $2,025.75, comprising $1,024.10 for materials, and $1,001.65 for labor. This does not include cost of the lot, architect's fee or allowance for contractor's profit. As the house was built on a section of the company's plant property at Beachville, Ont., it is difficult to set a figure for cost of site. Outside of the larger urban centres, however, a suitable lot could probably be obtained for an average of $75 to $150.

Normally, architects' fees amount to 8-10% of the cost of a project. Detailed plans and specifications for the Gypsum, Lime & Alabastine house are available, however, for a nominal fee of $15, by arrangement between the company and the architects, Govan, Ferguson & Lindsay, 515 Jarvis St., Toronto. Author of the design was James Govan. Working plans for low-cost dwellings are available from the National Housing Act administration for $10 per set and from another building supply firm for $2, though in neither case do the plans carry the "proved performance" appeal of the G.L.A. design.

Variable factors relating to good management and smooth operation make the allowance of contractor's profit on housing construction somewhat conjectural. It is doubtful, however, whether the profit practically obtainable on a cheap house would exceed 15%, or about $300 on a unit such as the G.L.A. house. If such houses were built in quantity, profit per house could be lowered.

It would thus appear that inclusion of architect's fee, price of lot and contractor's profit would only raise the overall commercial cost figure for a unit similar to the Beachville house to $2,350. Even if allowance is made for extras such as legal fees, financing charges and special fixtures, the gross cost would be comfortably below $2,500. It should be noted that such a cost figure qualifies a house for a loan under the new National Housing Act up to 90% of cost, and that doubts have been expressed in some quarters that a habitable dwelling could be built for as little as that.

The house is currently being rented for $13 a month, which has been found sufficient to cover annual charges and taxes on the dwelling. The company believes this rent to be on a basis comparable with what a private builder would have to get to earn a reasonable return on his investment, but it appears to be a little low if allowance is to be made for amortization, taxes and maintenance. On a 20-year basis, amortization at 5% a year, interest at the same rate, taxes at about 2%, and maintenance averaging $15 annually, would require rental at about $25 a month. Exclusion of amortization, should the owner not attempt to get back his investment, would cut rent to $15.

### Four Advantages

The company's report cites four main advantages of what it describes as the "sound, permanent construction and modern practice" embodied in the building of the house:

1. Fire-resisting construction to the utmost possible in house construction.

2. Free use of insulating materials, ensuring house comfort in summer and adequate warmth in winter with a minimum of heating cost.

3. Selection of materials and method of erection assures low upkeep cost and minimum deterioration over a period of years.

4. Modern construction affording a large measure of protection against obsolescence.

While small and of simple design, the house offers adequate satisfaction for modest requirements of a family of ordinary size. It includes full-size basement, three bedrooms, bathroom and kitchen and living room, all on one floor. Dining space is available in either the kitchen or living room. The house design is adaptable to addition of a dining room or other extra features at small additional cost.

Detailed bill of cost for construction of the house, excluding items for lot, architect's fee, and contractor's profit, is as follows:

G. L. A. Beachville House
Bill of Costs†

| | Materials | Labor |
|---|---|---|
| Excavation, grading, full basement ............ | ...... | $52.50 |
| Foundation, 8" concrete walls ............ | $74.90 | 46.00 |
| Basement floor ............ | 19.30 | 17.15 |
| Septic tank, cesspool ... | 10.00 | 27.00 |
| Chimney, double flue ... | 21.70 | 16.85 |
| Carpentry, millwork, floors ............ | 485.03 | 278.00 |
| Roofing, asphalt shingles | 56.92 | 13.35 |
| Insulation, walls, ceiling | 82.90 | 14.00 |
| Lathing (Gyproc) ....... | 69.60 | 17.00 |
| Plastering ............ | 43.00 | 80.00 |
| Stucco, reinf. & felt .... | 94.00 | 84.30 |
| Painting, inside & out. . | 27.92 | 33.00 |
| Hardware, nails, etc. ... | 38.83 | ...... |
| Warm air furnace* ....... | ..... | 100.00 |
| Wiring* ............ | ..... | 35.00 |
| Plumbing* ............ | ..... | 165.00 |
| Sheet metal* ............ | ..... | 22.50 |
| | $1,024.10 | $1,001.65 |
| Total contractor's cost .......... | | $2,025.75 |

*By contract. †Retail prices for material; actual wages paid.

# Construction World

### Lenders for Building

Despite the fact that the Dominion Housing Act was in operation for nearly three years before being expanded and absorbed into the new National Housing Act, there is still limited public knowledge of how building is financed under the basic provisions common to both statutes. One common misconception is that mortgage loans on houses built for owner-occupancy are made by the Government; actually they are made through approved lending institutions, with the Government contributing part of the total amount loaned so as to bring the mortgage amount up to between 70% and 90% of the appraised cost or value of the dwelling.

Another error is assumption that loans are available through any insurance, trust, mortgage or similar financial concern. According to a list tabled in the House of Commons recently by the Minister of Finance, there are only 29 institutions which have made application and been approved by Ottawa as channels for loans under the Dominion housing legislation.

Grouped according to location of head offices, these institutions are:

**Insurance Companies**

**Toronto** — North American Life Assurance Co., Canada Life Assurance Co., Confederation Life Association, Manufacturers Life Insurance Co., T. Eaton Life Assurance Co., National Life Assurance Co.; **Montreal**—Sun Life Assurance Co., Montreal Life Insurance Co.; **Winnipeg**—Great-West Life Assurance Co.; **London, Ont.**—London Life Insurance Co., Northern Life Assurance Co.; **Waterloo, Ont.** — Mutual Life Assurance Co., Equitable Life Insurance Co.

**Trust Companies**

**Toronto**—Sterling Trusts Corp., Premier Trust Co., Canada Permanent Mortgage Corp., National Trust Co.; **Ottawa**—Capital Trust Corp.; **Winnipeg** — Osler & Nanton Trust Co.; **Owen Sound, Ont.** — Grey & Bruce Trust & Savings Co.; **Chatham, Ont.** —Community Trusts Corp.; **London, Ont.**—Ontario Loan & Debenture Co.; **Kitchener, Ont.** — Waterloo Trust & Savings Co.; **Guelph, Ont.**—Guelph & Ontario Investment & Savings Society; **Sherbrooke, Que.** —Sherbrooke Trust Co.; **Moncton, N.B.**—Central Trust Co. of Canada.

**Other Concerns**

**Winnipeg** — Western Savings & Loan Association; **Shawinigan Falls, Que.** — La Caisse Populaire de la Cite de Shawinigan; **Levis, Que.**—La Caisse Populaire de Levis.

## New Building

Reported in Engineering & Contract Record:

**Manitoba Dept. of Public Works** has awarded contracts totalling $175,000 for construction of sections of the Trans-Canada highway amounting to 37 miles.

**St. George Sanitorium Syndicate**, Mont Joli, Que., has awarded contract for erection of $600,000 sanitorium building.

**Ursuline Sisters**, Three Rivers, Que., have awarded $500,000 contract for normal school building.

**Zellers Ltd.**, Montreal, has ordered plans drafted for $200,000 programme of reconstruction for its store in Halifax.

**Chromium Mining & Smelting Corp.**, Hamilton, plans to spend about $165,000 for improved equipment and alterations to buildings at its smelter in Sault Ste Marie.

**Ontario Paper Co.** has awarded contract for erection of 15 houses for members of staff at Comeau Bay, Que., mill-townsite development. Cost is estimated at $80,000, or about $5,300 per unit.

## Deer Park Manor to Pay Interest Coupon No. 22

Interest coupon No. 22 of Deer Park Manor 7% first mortgage sinking fund bonds, due Dec. 1, 1936, will be paid Aug. 5.

The company states that taxes have been paid to Dec. 31, 1938, and that there are no overdue current accounts.

Deer Park Manor owns land and a 28-suite apartment building at St. Clair Ave. W., and Deer Park Crescent, Toronto.

The Office Boy hears more than you do

"The boss is making an awful mistake, Johnny. He keeps complaining about how busy he is—and he climbs out of appointments he ought to keep. And honest, kid, it isn't necessary at all.

"Over there at Robinson & Robinson I didn't work half as hard as I'm working now. Hardly ever got stuck at night—and I was a big help to young Mr. Robinson, too. I had *time* to be his assistant. He always used an Ediphone. If an idea occurred to him about something he wanted to do next week, he'd tell it to his Ediphone and I'd remind him when the time came. He answered most of his mail with one reading—he'd read the letter and voice-write his answer right away—just as easy as using his telephone.

"Honest, I wish the boss would get wise to himself. There's no sense in making the old brain tackle a detail three times when it can be handled *once* on an Ediphone. Goodness knows that I'm no worshipper of the Machine Age, but I don't get any fun chewing the end of my pencil during the day and then hustling around like mad at five o'clock. I think I'll talk to the boss about Ediphone. There's no reason why he shouldn't start to get something out of it right away."

√ √ √

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**Week in Mining**

# Sees Higher Prices For Copper Looming

### "Technically, the Market Looks Fine"—Indices Move Up as Wild Rumors Halt—Raps New Mine Capital Tax

The mines market outlook seems to brighten.

For another week, there has been nice volume, and a quiet advance in price indices, a few issues giving stellar performances on important news from the property. The long-expected advance in copper price has come.

Technically the market looks fine. Observers generally can find few prices too high, and quite a few too low. They note, too, that on the slightest recession buying very definitely improves.

Fortunately, wild rumors hardly troubled the market at all during the past week.

Washington doesn't seem to have let a peep out of it that could in any way be interpreted or misinterpreted as meaning either that the price of gold was going up or staying where it is.

And a little spell of thinking about developing mines and making money out of them with $35 gold won't do anybody any harm. After all, the Hammell, Oakes, Wright, Lindsley, Hogarth and Bickell fortunes and almost every mine fortune you can name was made at $20 gold.

*Copper Looks Up*

Copper and its problems took considerable market attention during the week both in Canada and Wall Street. Waite Amulet provided most of the fireworks, gaining a dollar or so, and Noranda moving quietly into substantially higher ground. The Toronto Stock Exchange index of 20 base metals moved up better than two points to almost 97 in the week.

Is it too late in the day to get interested in the coppers? Copper analysts are cautious, while giving broad grounds for belief that the coppers are still interesting.

A much more hopeful tone has come to American business during the past week or so. And it is on the upturn in business that copper eventually depends.

With several of the largest U.S. copper producers shut down for the summer (some reopen August 1) the too-large U.S. copper stocks are being depleted and, as one analyst puts it, "the first quarter of 1939 should see world copper stocks once again below 400,000 tons. A gradual rise in price to around 12 cents per pound over the period July, 1938 to March, 1939, may be looked for."

And those estimates are based, he points out, "on a stationary trend in business." If U.S. pump-priming does any good, if the great drive to build more houses and more cars and extend utilities works, then, he says, the copper outlook is better still.

*Papa BEAR Pays*

Major Burwash, the colorful veteran of the prospecting trail, was one of the very small knot of executives who, with a few newspapermen, were the sole attendants at the annual meeting of Burwash Yellowknife and of Yellowknife Gold in Toronto last week.

Yellowknife Gold, the "audience" was formally told, has only $16 cash and $1,800 liabilities, but that this is just nominal anyway since the debts are to be paid by "papa" B.E.A.R. Yellowknife holds 1,488,000 shares of Burwash Yellowknife.

Burwash Yellowknife has $437 cash and $26,000 liabilities. Again the parent company, B.E.A.R., is to be responsible. This company has 790,000 of Giant Yellowknife and 800,000 of Yellowrex.

*Enough Steam*

In contrast to the calm of the Yellowknife meetings was the first annual meeting of Martin Bird. Not that there was a fuss of any kind. Just that shareholders seemed highly satisfied with the report and the picture of conscientious and economical mine development laid before them.

Mr. Sweeney, of mine meeting fame, for once seemed to be on the wrong end of a joke. To a long barrage of Mr. Sweeney's questions, Mining Engineer Greenlands was persistently cagey and very scientific.

"Well, are you going to build the mill here?" demanded the somewhat exasperated Mr. Sweeney with gestures indicating the meeting room.

"There seems to be enough steam anyway," replied the imperturbable Mr. Greenlands.

*32B Again*

Curse of the new mining tax was again demonstrated last week. A Martin Bird shareholder asked when units of the Martin Bird Syndicate would be broken up and a share distribution made.

Gerald O'Meara of Kirkland Lake, the company's legal adviser, explained that for the benefit of the shareholders the distribution would be held up indefinitely; at least until the Government made it clear that it meant what it apparently said in its now notorious 32B clause.

If the syndicate were broken up now and shares distributed, it would seem under the new regulation that the tax-men would interpret the shares distributed as a clear profit for the recipients; not as a return in a different form of capital.

*Punch*

Another hint, a punch in fact, reminding that an awful lot of water has gone under the bridge since 1929 and that mine developers have not been asleep is in this fact. In 1930, British Columbia had one dividend-producing gold mine. Now there are 10. Premier is the original (1921). The others are Bralorne, Cariboo Gold Quartz, Hedley Mascot, Island Mountain, Kootenay Belle, Pioneer, Reno, Sheep Creek and Silbak Premier. Incidentally, some well-informed sources out West are saying that Premier will soon be going back to a four-cent quarterly dividend, instead of three. The argument is that some of Premier's outside ventures, such as the Big Bell in Australia, are working up into something outstanding.

## Can. Malartic Output Rises

### Production Is $279,178 in Last Quarter—Recovery Better

Production at Canadian Malartic Gold Mines reached a new peak in the quarter ended June 30 but costs were somewhat higher, due mainly to increased development and diamond drilling, E. V. Neelands, general manager, says in his report. Operating profit for the period, exclusive of deductions, amounted to $110,678, as compared with $125,689 in the corresponding quarter of 1937. Average recovery was better at $4.74.

Crosscuts were completed through the new porphyry ore zones east of No. 1 shaft on the 750- and 875-ft. levels. Numerous small quartz veins occur, stronger ones striking south-easterly and dipping south-westerly. On the 750-ft. level, vein 602 has been developed for 153 ft., showing width of 1.28 ft. averaging 1.03 oz. Vein 604, for length of 50 ft., shows width of 1.47 ft. averaging 0.48 oz.

On the 875-ft. level, vein 701 has been developed for 46 ft., a width of 2.15 ft. averaging 0.53 oz. Porphyry ore 400 ft. east of the shaft on the 500-ft. level has been developed by drifting and drilling for 200 ft., a width of 31.3 ft. averaging 0.25 oz. The attitude of this zone is not determined and greatest known vertical extent is 60 ft.

Mr. Neelands considers the porphyry developments "very satisfactory," particularly with respect to other possibilities in this formation. The railway has now reached the property, but is not yet in operation. Operating costs for the period were $2.80 per ton.

**Quarterly Earnings**
**Three Months Ended June 30**

| | 1938 $ | 1937 $ |
|---|---|---|
| Metal prod. (gross) | 279,178 | 274,975 |
| Less: Mktg. charges | 3,666 | 3,720 |
| | 275,512 | 271,255 |
| Less oper. costs: | | |
| Diamond drilling | 7,512 | 2,399 |
| Mine development | 33,406 | 17,871 |
| Stoping | 58,107 | 58,393 |
| Milling | 41,372 | 44,273 |
| Mine off. & supervis. | 8,147 | 8,100 |
| Gen. exp. at prop. | 12,043 | 7,433 |
| | 160,587 | 138,469 |
| Adm. & gen. exp. | 4,246 | 7,097 |
| Total cost | 164,833 | 145,566 |
| Oper prof. for period* | 110,679 | 125,689 |
| Capital expenditures | 8,152 | 19,853 |

*No allowance has been made for taxes, depreciation or deferred development.

| Production: | | |
|---|---|---|
| Tons milled | 58,892 | 61,004 |
| Average recovery | $4.74 | $4.51 |

## Davies Pete Head Sees Big Future

### Davies Writes to Shareholders — Says No. 4 Promising

Belief that production of Davies Pete No. 1 well can be doubled when justified and that No. 4 will prove substantial is expressed in a letter to shareholders from M. J. Davies, managing director of Davies Petroleums. His letter, greatly contracted, follows:

"No. 1 well established an open flow of 1,065 barrels per day. Subsequent Government test established a potential of 660 barrels. Standard Equipment has now been set up. Tests upon the well and recorded pressures indicated a much larger producer, but good business policy restrains us from using further physical means to improve production until No. 4 is completed and the demand season for oil is over. It is the considered opinion of experienced production men that this well can at least double its production after freeing tubing and acidizing.

"No. 4 well is making fast progress below 3,600 feet. This well will complete in October and with Royalite 30 and Vulcan Brown, large producers to the west and north respectively, a substantial well is anticipated.

"No. 2 well continues to produce steadily and is fast paying off the rotary equipment purchased for No. 1 and now drilling No. 4. Income from No. 2 is approximately $8,000 per month.

"As market conditions were extremely poor in all shares at the time Class "A" warrants were due, same were extended but conditions did not improve with the result that they expired. In regard to Class "B" warrants an announcement will be made shortly.

"No. 3 well is drilled to 3,245 feet and ten-inch casing is set; the well is awaiting rotary equipment.

"To June 30 production at No. 1, after paying government and lessors royalties, netted the company approximately $20,000. This money has been used to retire production equipment and expenses, and a balance of approximately $17,000 is charged against No. 1 well. I would estimate 70% of this expenditure as fixed assets. A falling market, increased proration, trouble at No. 1, No. 3 and 4 steadily calling for money, war clouds everywhere and independent companies being forced into cut throat deals, called for serious action. All we own has been attained from approximately $290,000 raised from the public, as much as most companies raise to drill one well.

## Cariboo Hudson Mill is Delayed

### Roads Cause Postponement — Development Promising

From Our Own Correspondent

VANCOUVER.—Cariboo Hudson's gold mill, expected to be in operation by September 1, will not start running until early October, Dr. W. B. Burnett, president, announces.

Difficulty encountered in transporting equipment and materials to the site of the mill is wholly responsible for the delay, Dr. Burnett says. Although the government and the company have spent considerable money in improving the road, the going is still pretty rough in places and handling of materials has been slow.

The forms are now in, and concrete will be poured within about 10 days. Eighty men are now in the camp getting things ready for the 100-ton cyanide mill.

Mine development is proceeding satisfactorily, reports Dr. Burnett. A crosscut driven from the shaft sunk by Fred M. Wells and which at first encountered water has now hit ore, and the company is confident that a large ore body at least 200 feet deep exists in the Shasta area extending to the surface. It is planned to upraise and put in stopes.

On the 600-ft. level a tunnel from the Harvey Creek side is now in 750 feet, partly through a broken area that needed timbering. It is believed that this represents a part of the Shasta zone, but no work will be done there until the raises have been completed.

### Says Gillies Structure Is Similar to McIntyre

The 22-ft. vein cut by drills at Gillies Lake Porcupine some time ago will correlate with the structure of McIntyre Porcupine, adjoining it, in the opinion of Hamlin B. Hatch, consultant. Developments, he says, assure substantial tonnage, and based upon structure and results obtained so far, a large amount of ore will be taken from lower levels, Mr. Hatch believes.

Drilling at Gillies went to a vertical depth of only 580 ft., and the core, which indicated negligible results, comprised about 80% quartz. It is now planned to investigate this structure at depth. Crosscut on the 500-ft. level has reached the south contact of the large porphyry mass intersected by diamond drills. This contact is being prospected, the drift being continued by diamond drills. This contact is being prospected, the drift being continued meanwhile.

Mr. Hatch states that the porphyry ore is identical with that being mined by Hollinger and McIntyre at slightly lower levels. The dip is to the north, so that it will be in the middle of the Gillies Lake property.

### Mill at Payore Nears Capacity

Payore Gold Mines, Siscoe-Lamaque area of Quebec, reports that its 75-ton amalgamation-concentration unit is running at about 80% of capacity, with extraction estimated at approximately 60%. It is expected that by early August returns from pouring a gold brick will be available, giving a more accurate basis for calculations.

Stopes on all three levels are yielding ore, picking or sorting being unnecessary. Preliminary estimates indicate millheads at $15, against average mine-run estimates of $12.75 per ton. At capacity, overall operating costs are estimated at about $4.25 per ton, exclusive of development other than supplying necessary daily tonnage.

## Says Oro Grande Will Become Mine

### Old Beresford Lake Property Now Under Lease

From Our Own Correspondent

WINNIPEG.—Oro Grande, more properly Beresford Lake Mines, has a better chance of becoming a mine now than at any time in its rather chequered career, according to R. H. Little, a director of the company, who has just returned from a visit to the mine.

J. D. Shannon, who holds a lease on the mine, undertaken in the first place as more or less of a salvage operation, has had the property connected with the power line serving the Gunnar Gold mine, a mile and a half distant.

The mill is running about 30 tons a day but can easily do 45 tons. Recovery is about 80% and $30 mill heads are said average. When grade is lowered, tonnage is increased, but the operators expect a recovery of from $12,000 to $15,000 per month which will provide for the royalty to Beresford Lake Mines and leave a net profit for the leaseholder.

On the 250-ft. level there are two shoots of high grade, one 140 feet long, the other 110, both with a width of four feet, and in places much wider.

Examination of the property under working conditions is giving rise to the belief that underground work, below the 250-ft. level, missed the downward extension of ore shoots found above and it is now the intention to explore at depth by sinking a winze on the ore body itself.

## East Kootenay Net Decreases

### Power Company Gross Earnings Higher But Expenses Rise Faster

MONTREAL. — Net earnings of East Kootenay Power Co. in the first half of the current year were slightly below the same period last year.

Gross revenue for the six-month period shows an increase of $4,420 to $140,227. However, this was offset by an increase in expenses of $6,196 to $47,494.

In the month of June there was an increase of $2,205 in gross earnings and $3,481 in operating expenses. As a result, net earnings declined $1,276.

**Statement of Earnings**
**Month of June**

| | 1938 $ | 1937 $ |
|---|---|---|
| Gross earnings | 47,696 | 45,491 |
| Less: Oper. expenses | 16,498 | 13,017 |
| Net earnings | 31,198 | 32,474 |
| **Six Months Ended June 30** | | |
| Gross earnings | 140,227 | 135,807 |
| Less: Oper. expenses | 47,494 | 41,298 |
| Net earnings | 92,733 | 94,509 |

### Hogarth and McDonough in on Ranson Property

McDonough Mining Syndicate, Maniwaki Mines and interests associated with Maj.-Gen. D. M. Hogarth are reported participating in development of the Ranson property, south of the Michipicoten River. Under the deal, the 10-claim group has been turned over to a 100,000-share company, to be known as Ranson Mines Ltd.

For the last two years, R. R. Ranson, staker, has done exploratory work. Vein H, test pitted for 575 feet, reportedly gave an average of $21.90 in channel samples. Average vein width is 18 inches. Vein E, traced for about 500 feet, returned a high-grade section. A 500-pound bulk sample is said to have returned $135.50 per ton. Vein is reported to run two feet wide. Other high-grade showings have been reported. Officers are: R. R. Ranson, pres., Soo, Mich.; J. M. Bloom, vice-pres.; A. J. Steveling, sec., Detroit.

### Drilling at Partanen Returns $10.50 Values

Drill holes put down in the C ore zone at Partanen Malartic Gold Mine, Malartic twp., yielded intersections at 227 ft. to 306 ft. vertical depth, an average of about 270 ft., running 10.3 ft. at $10.50 per ton. A. F. Keene says in a summary of developments that hole No. 27, drilled for structure and geology in swamp ground, returned $3.68 over 3.7 ft. at vertical depth of 145 ft., or $2.49 over 7.7 ft.

Mr. Keene adds that some 1,300 to 1,900 ft. of low ground to the northwest of hole No. 27 remains to be explored. Geological and geophysical surveys have disclosed favorable indications of ore discovery.

### Central Cadillac Reports Progress

From Our Own Correspondent

MONTREAL.—R. C. Dryden, consulting engineer, reports work on No. 2 vein on the second level at Central Cadillac Gold Mines shows practically continuous ore for a length of 340 feet.

Greatest width known is 40 feet but the true width for the entire developed length will not be known until the diamond drilling and crosscutting programme, now under way, has been completed. The average value of all muck samples from the 340 feet of the drive is $11.74.

Drifting was recently started, east and west from crosscut No. 214, on No. 11 vein. These headings have advanced approximately 50 feet and show a high pyritized zone of at least drift width. The average from the drift and several slashes is $11.84 gold per ton.

Plans are now being drawn up for the making of a main working shaft.

**Agawa Gold Mines**

Agawa Gold Mines, having secured encouraging results in diamond drilling, plans to carry out further development work on the second level ore body, as recommended by H. T. Leslie, consultant.

It is planned to crosscut to No. 3 vein, drift for 500 feet and then raise to the surface. Stoping will be done before milling operations begin with the 100-ton unit now on the property. Agawa has taken over another property adjoining its main group on the southwest. High-grade ore on the new property's dump can, it is said, be treated profitably in Agawa's mill.

**The Week in Oils**

# Claims New Proration Plan is Improvement

### Oil Interests Regard New Turner Conservation Scheme Favorably

"It cuts the icing on the cake but didn't tell how thick it was."

That was one prominent oil man's criticism of the old scheme of proration for Alberta oil wells now to be abandoned in place of another and allegedly more scientific scheme.

Oil interests generally regard the change with favor. At least, that part of the change which they have so far heard about. For details have yet to be worked out.

Likely the new plan will involve writing down of potentials at most wells. But The Financial Post did not find anyone who feared that announcement of new and lower potentials would knock down the oil stock market, even temporarily.

"Most stockholders by this time understand proration," one said. "They understand that proration has nothing whatever to do with the value of their well and that proration merely makes it last longer. Besides, it appears that the Alberta Conservation Board is not asleep to the importance of letting the public know the whole story of what's going on and what it means."

Main trouble with the present system of proration is that it fails to give a true picture of a well's oil giving powers.

Method of establishing potential in the past has, in practice, generally come to mean slowing down a well's production for 10 days or so, then letting it run wide open the 11th day. During the slow down the pressures are built up. When the 11th day comes and the controls are opened wide, the well naturally bursts with energy and turns in a fine production record for that 24 hours.

That many wells would be able to maintain over succeeding days and weeks the 11th day production, if left wide open, observers have good reason to doubt.

In one respect the old proration system was perfectly fair. Well A and Well B both had an equal chance to establish a high potential. Both then cut down their production by the same percentage.

The new plan involves taking into account the acreage from which the well draws its oil, the estimated extent of its reservoir, and its general performance. Then will come the nozzle treatment outlined in the accompanying article from Calgary.

Commending the new scheme is its success elsewhere and the presence in Alberta of a highly experienced administrator.

### Texas Scheme to be Tried in Valley—Work Started on New Structure

CALGARY. — The newly-formed Petroleum and Natural Gas Conservation Board of Alberta issued its first orders this week.

A new system for determining production rates, for proration purposes of Turner Valley were announced by W. F. Knode, chairman of the board. An entirely new "yardstick" will be used to establish the amount of oil each well will be permitted to produce under proration to meet the market.

In the past, each Turner Valley crude producer, following a test period, has been opened for 24 hours to determine the capacity flow. The so-called potential has been set at two thirds of the capacity flow. Proration has been applied by allowing a well to produce the proration quota of the potential—now 37%.

Now, however, an orifice will be placed at the opening of each valley oil producer, restricting the size of the opening to a small diameter. For a period of 24 hours the well will be permitted to flow through this opening. The amount of oil thus produced will be considered the proration rate of the well and proration will be applied on this rate.

In other words, "capacity flow" through a six-inch opening for 24 hours at the conclusion of an 11-day test will no longer be the "yardstick" as far as the application of proration is concerned.

**Same as in Texas**

The present plan, Mr. Knode announced, is to restrict the size of the opening from which oil flows in wells to a diameter of two inches. The amount of oil produced through a two-inch opening for a specific period will be a production rate for each well, unless it is decided to restrict the size of the opening further or to open it up a little. Mr. Knode said this "yardstick" for proration purposes was used in the Texas oil fields and proved most satisfactory.

In future, Mr. Knode said, naphtha would be considered a by-product of gas wells in Turner Valley, and wells described as naphtha wells today would be considered as gas wells. These wells would be permitted to produce gas to supply the available market and wastage would be halted.

Mr. Knode came to Calgary as chairman of the board, highly recommended by the United States Bureau of Mines. He and his associate engineers worked out an oil conservation scheme for Texas and he has wide experience as a petroleum engineer in American oilfields. He has been appointed to hold office for one year as chairman. The other two members of the board have been appointed for five-year terms.

**O. K. Refinery for B. A.**

Electors of Calgary, by a vote of about four to one, gave their consent to the British American Oil Company to build a $1,350,000 oil refinery in this city. A plebiscite was held last week, the chief objectors being the people in East Calgary.

**Start on New Structure**

Entry of the Anglo-Canadian Oil Company, Ltd., into the development of an entirely new structure in Alberta, involving 41,000 acres, was announced today. The structure, known as an anticline, is located approximately 35 miles west of Olds and is called the Bearberry structure.

The structure is said very similar to Turner Valley, and includes an area known to men long associated with the Alberta oil industry as the Monarch field, on which two wells were commenced in 1914. There were showings of gas saturated with naphtha.

The Bearberry structure is about the same length as Turner Valley—15 miles—but is about three miles wide in the middle compared with the 1.5 mile width of Turner Valley. The depth to the Madison is believed to be about 8,000 feet.

**May Increase Potential**

The present potential of slightly over 52,000 barrels of crude oil daily in Turner Valley is likely to be increased very materially this year since 34 active uncompleted wells are listed in Turner Valley and there are 13 outstanding wild cat wells located on various structures of Alberta. These do not include wells being drilled solely for gas.

There are seven wells over 1,000 feet down; Anglo-Canadian 3, Firth, Grewer 1, P. and H., Rex, Vantage and Royalite 34. There are three wells between 1,000 and 2,000 feet; British Colonial, Marine Pete., and P. and H., Alco. There are three wells between 2,000 and 3,000 feet: Command, East Crest, Richwell.

Nine wells are being drilled in Turner Valley between 3,000 and 4,000 feet as follows: Anglo-Canadian 1, Anglo-Canadian 2, Davies Pete 3, Davies Pete 4, Okalta 7, Producers' Crude, Royal Canadian 2, Extension, West Turner 3.

Between 4,000 and 5,000 feet, Brown 5 and Home 2 are drilling. There are no wells between 5,000 and 6,000 feet, but there are eight between 6,000 and 7,000 feet; Commoil 2, Consolidated, Mercury Royalties (in lime), Royalite 33 (in lime), Sunset 2, West Turner 2 (in lime) York 1, Royalite 33.

Royalite 31 is in the lime between 7,000 and 8,000 feet. There are no wells between 8,000 and 9,000 feet, but Okalta 6 is drilling between 9,000 and 10,000 feet, the deepest well in the Dominion.

Following are the 13 important wildcats: Anaconda, between 1,000 and 2,000 feet; Green Valley-Banner, between 5,000 and 6,000 feet (in lime); Home-Brazeau, between 2,000 and 3,000 feet; Lethbridge Pete between 2,000 and 3,000 feet; Lethbridge South between 3,000 and 4,000 feet (in lime); Marquis, between 4,000 and 5,000 feet; New Valley, between 8,000 and 9,000 feet; Fisherman's between 7,000 and 8,000 feet; Roxana, between 3,000 and 4,000 feet (in lime); Sentinel, between 6,000 and 7,000 feet; Spindletop, between 2,000 and 3,000 feet; Guardian, between 1,000 and 2,000 feet; Batcheller Syndicate, Pouce Coupe, between 1,000 and 2,000 feet.

### Operating Profit Up At God's Lake Gold

God's Lake Gold Mines showed net operating profit of $129,986 in the three months ended June 30, as compared with $54,799 in the first quarter. Total operating cost for the half-year includes $19,667, spent on the construction of the new sluiceway at the power site.

Operating costs at the mine, including the normal operating charges at Kanuchuan, were $238,569, compared with $235,514 for the first half of 1937. About 8,000 tons more were milled in the first half of 1938 than in the first half of 1937.

| | 3 months ended June 30, 1938 | 6 months ended June 30, 1938 |
|---|---|---|
| Tons milled | 17,909 | 35,206 |
| Aver. tons daily | 196.7 | 194.5 |
| Mill heads (oz.) | 0.438 | 0.379 |
| Tailings (oz.) | 0.020 | 0.021 |
| Recovery (%) | 95.29 | 94.87 |
| Production | $263,328 | $444,022 |
| Oper. costs | 133,342 | 259,236 |
| Net oper. profit | 129,986 | 184,786 |

### New Ore Body Hinted At Sunbeam Kirkland

From Our Own Correspondent

WINNIPEG. — Sunbeam-Kirkland is getting ready to prepare stopes in the chimney or plug, which can feed into the incline shaft sunk in the footwall.

Latest drilling has indicated a further body of unknown dimensions and there is some speculation as to whether the plug served by the present shaft for 300 feet is the main ore body or whether it is merely an off shoot from a much larger body.

It has been believed that underground there would be found a connection between the surface showing on the Sunbeam Kirkland and that on the Moonbeam some 1,500 feet distant. A swamp lies between the two points and the ore body penetrated by the diamond drill from a station cut to one side at the 300-foot level may possibly come to the surface underneath the muskeg.

Ore of commercial grade is indicated by the drill core for 78 feet and further drilling is now under way.

There is approximately two years' ore for a 100-ton mill already pretty well outlined and Dr. J. F. Wright, consulting geologist, together with E. A. Patterson, field manager, are both in Toronto, discussing the question of a mill.

### Two of Arno's Holdings Are Said Inconclusive

Inconclusive results in development work at two of its properties are reported in the annual report of Arno Gold Mines.

Arno, a holding company, has 450,000 shares of Clerno Consolidated where expenditure of $34,000 brought "inconclusive results," the report states. Arno has 550,000 shares of Orland Gold Mines where surface work and diamond drilling also produced "inconclusive results."

Other properties of Arno are 200,000 shares of Argyle Consolidated and an 80% interest in five claims next to Seguin Rouyn Gold and a half interest in 16 claims in Joannes twp., Quebec.

The company has $5,600 in the bank. Directors for 1938 are president, W. J. Grace; vice-president, J. J. Vogan; secretary-treasurer, H. S. Wilson and directors, A. C. McDougall and Cuthbert Scott, all of Ottawa.

**Lapa Cadillac Gold Mines**—is expected to have its mill running at capacity before Aug. 1, when it will officially open. Unit turned over July 12, and is being fed with waste and low-grade ore. Management is now experimenting with types of ore and making necessary adjustments.

# *Ontario's Per Day Output Of Gold Higher for June*

Output of Ontario's gold mines in June totalled $8,203,982, as against $8,252,574 in the previous month. While production was somewhat lower, due to the short month, the daily rate of output showed improvement. Exclusive of by-product gold from the nickel-copper industry, grand total for the first six months reached $47,067,043, as compared with 43,024,229, an improvement of over 9.5%.

Golden Gate, in Kirkland-Larder area, resumed production after being idle for many years. Sachigo River Exploration Co., in Patricia, turned over its 35-ton mill May 17; statistics from this property are not included below.

Average daily milling rate in June was 26,013 tons, against 26,138 tons in May and 25,093 in April. Producing gold mines (including the Sachigo) numbered 49 in June. This total will be increased by the Cline mine, south of Lochalsh, which expected to begin milling about July 25. Magnet Mine, in Little Long Lac, expected to begin shipping its ore to the Tombill mill for treatment.

Comparative figures follow:

**MONTHLY OUTPUT OF ONTARIO GOLD MINES, 1937-38**

| | 1937 Tons Milled | 1937 Value $ | 1938 Tons Milled | 1938 Value $ |
|---|---|---|---|---|
| **PORCUPINE BELT:** | | | | |
| First quarter | 1,045,552 | 9,602,593 | 1,117,477 | 10,393,055 |
| April | 350,011 | 3,072,697 | 394,526 | 3,535,146 |
| May | 349,964 | 3,206,201 | 409,099 | 3,583,219 |
| June | 351,174 | 3,245,556 | 385,299 | 3,597,067 |
| Total | 2,096,701 | 19,127,047 | 2,306,401 | 21,108,487 |
| **KIRKLAND LAKE BELT:** | | | | |
| First quarter | 559,116 | 8,726,179 | 610,070 | 8,525,454 |
| April | 189,005 | 2,911,285 | 204,852 | 2,941,015 |
| May | 202,583 | 3,023,121 | 223,945 | 3,133,104 |
| June | 197,638 | 2,940,535 | 220,944 | 3,101,726 |
| Total | 1,148,342 | 17,601,120 | 1,259,811 | 17,701,299 |
| **MATACHEWAN:** | | | | |
| First quarter | 109,343 | 399,724 | 124,392 | 485,457 |
| April | 37,747 | 144,729 | 41,256 | 162,216 |
| May | 40,430 | 164,202 | 42,845 | 167,066 |
| June | 41,373 | 156,308 | 41,563 | 177,639 |
| Total | 228,893 | 864,963 | 250,056 | 992,378 |
| **NORTHWESTERN ONTARIO:** | | | | |
| First quarter | 292,353 | 2,595,512 | 337,604 | 3,458,352 |
| April | 99,051 | 850,877 | 112,173 | 1,109,792 |
| May | 106,339 | 922,275 | 134,393 | 1,369,185 |
| June | 107,172 | 1,062,435 | 132,578 | 1,327,550 |
| Total | 604,915 | 5,431,099 | 716,748 | 7,264,879 |
| **TOTAL FOR ONTARIO:** | | | | |
| First quarter | 2,006,364 | 21,324,008 | 2,189,543 | 22,862,318 |
| April | 675,814 | 6,979,588 | 752,807 | 7,748,169 |
| May | 699,316 | 7,315,799 | 810,282 | 8,252,574 |
| June | 697,357 | 7,404,834 | 780,384 | 8,203,982 |
| **GRAND TOTAL** | 4,078,851 | 43,024,229 | 4,533,016 | 47,067,043 |


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## Sees New Future For Electroplate

Revolutionary developments in the field of electro-plating are predicted by Dr. W. A. Wesley of the chemistry division of International Nickel Company.

He predicts that new methods of handling which he calls electrodeposition will have an important effect on the growth of the electroplating industry whose product value is now running around $250 millions a year. It may also influence engineering design by making possible the production of parts too intricate for forging or casting.


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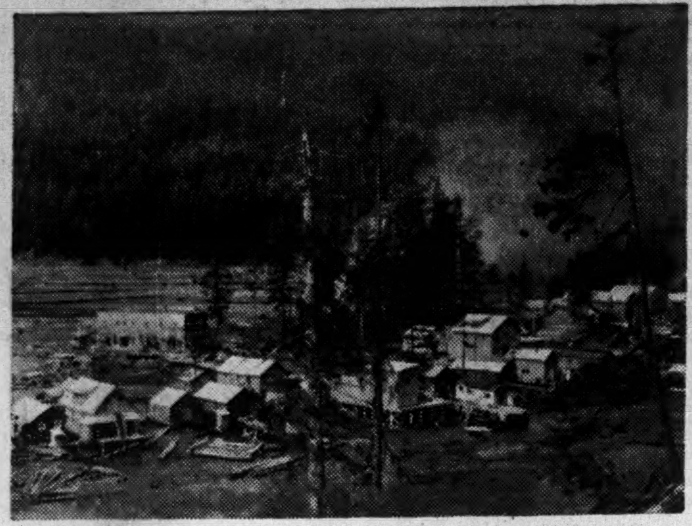

*DEFERRED — 300 YEARS*

This town might have been born three centuries ago. Spanish explorers first scented gold in the stark valleys of Vancouver Island. Not until this year, when great mining organizations and courageous men of vision stepped in, did the Zeballos country have to reveal its secrets. Here is a view of another Canadian wealth centre in the making.

Bags of ore at Zeballos.

# Zeballos Gets Into High

## Sober, Steady Development Follows Mushroom Growth

From Our Own Correspondent

VANCOUVER. — Spectacular, quick-action development and mushroom construction have been replaced in the Zeballos gold field by sober and steady development.

Through the heavily timbered hills and valleys adjacent to British Columbia's newest mining camp on the west coast of Vancouver Island, more than a thousand prospectors and mine workers are searching for gold or laying the foundations of a permanent mining community.

A few weeks ago most of the activity was concentrated in the townsite itself. A new government wharf was under construction; three hotels were being built, and carpenters were erecting a score of smaller structures for a variety of purposes. Road building was in progress.

Most of the clamor of construction has now been transferred to the mines themselves. Until recently the snow was too deep to permit extensive mine operation, but now that the roads are passable for at least seven miles, linking major properties with the townsite at tidewater, it has been possible to make rapid progress with surface and underground operation of the properties staked last year and placed under preliminary development during the past winter.

**Focus of Activity**

The Privateer Mine and the Goldfields Mine are now the centre of most of the activity. Nearly 200 men are busy at these two properties, preparing for the erection of gold mills at each. Privateer, now being developed by Connell Mining & Exploration Company, will have a 75-ton mill going in September. A. B. Trites, veteran of Premier Gold and one of the first men to become active in Zeballos, hopes to have his own 50-ton mill in operation at Goldfields about the same time.

Whether there will be additional mills in the Zeballos district this season has yet to be determined. Ed. Brown hopes to have a small plant running at his Rey Oro property before the end of the year, and Central Zeballos has similar plans.

Future of the Zeballos field is still a matter of speculation. There is no longer any doubt that ore of unusual richness has been discovered; that Privateer, for its size, is probably the richest mine in Canada.

But development so far carried out has not given much definite indication of the extent of this richness; whether there will be room for more than three or four fair-sized profitable operations.

Some mining engineers believe Zeballos will become one of British Columbia's major gold producers and the location of more than half a dozen important mines. They point out that the whole west coast of Vancouver Island is well mineralized; that values are not likely to be concentrated in one or two small locations, as indicated by exploration so far at Zeballos.

But a few other engineers are skeptical, unconvinced that Zeballos will support more than three or four rich but relatively small gold mines.

**Pulls Big Companies**

Probably the most cheerful sign of all has been the eager response to Zeballos by some of Canada's biggest mining companies. Consolidated Mining & Smelting Company, Pioneer Gold Mines, Howe Sound Company (Britannia), Nesbitt, Thomson & Company (Inspiration), Connell Mining & Exploration Company are some of the larger organizations that have gained a foothold in Zeballos.

Probably most active of these companies is the Connell company, which not only acquired a large interest in Privateer, but also took over direction of the Man-o-War property adjacent, and the Farris group, both regarded as among the most promising properties in the district.

Mining Corporation has been mentioned several times as negotiating for a spot in Zeballos, and Jack Hammell is known to be interested. E. L. Cord, formerly active in auto manufacturing in the United States and for some time a power behind B. C. Nickel, paid a visit to the west coast field this summer.

**Virgin Camp**

Significance lies in the fact that Zeballos is the first large area of virgin mining ground discovered in British Columbia in a quarter century. All other sections of the province where mining has assumed important proportions can look back on a long history. The Cariboo, for instance—home of Cariboo Gold Quartz, Island Mountain, Quesnelle Quartz, Cariboo Hudson and a score of hydraulic and other placer operations—was one of the first gold areas to win prominence on the Pacific coast.

Back in the early 60's, the Cariboo was drawing fortune seekers from the California diggings. The Bridge River country, now the source of most of the gold produced in B. C. with Bralorne and Pioneer heading the list, although developed on a large scale only within the past decade, was well known to prospectors 50 years ago. So were the Kootenay district and Sheep Creek. Portland Canal came on the map soon after Premier started to reveal its richness, but even that was before the war.

**Lured Spaniards**

Spanish explorers were the first to take note of Zeballos and they gave it its name. There is evidence that an attempt was made to mine the area in crude fashion many years ago—possibly by Chinese imported by Captain John Meares, the doughty sea otter trader who nearly started a war with Spain. But development was not pushed very far. And after the era of Meares and the Spaniards, more than a century passed before Zeballos was recognized as anything more than fishing grounds and the habitat of evil spirits that made the district unpopular with the Indians.

Swedish fishermen, haphazardly prospecting during the summer layoffs ashore, made the first strikes of gold in the Zeballos, but it was not until geologists like Dr. H. C. Gunning and Dr. M. F. Bancroft made their reports, showing the area to be really promising, that genuine interest began to be shown by mining men of experience.

**Began Three Years Ago**

A. B. Trites started to develop Zeballos property three years ago. His reports of the rich ore being back-packed down the hills from Trites' claims helped to build interest in the new camp.

Then Privateer's success began to make the headlines of coast newspapers. When the head assayer at the Guggenheims' smelter in Tacoma pronounced Zeballos ore the richest he had ever seen, the west coast mining country was in a fair way to being "made."

Participation in the area's development by some of the big companies mentioned previously was the next step. Then the rush of miners and camp followers and the birth of a new town—Zeballos, with its mining recorder's office, police, hotels, restaurants, theatres, sawmills, banks and other indispensable features of organized community life.

**Days to Hours**

Aircraft has played a vital part in the development of the Zeballos camp. Tucked away in an inlet far up the northwest coast of Vancouver Island, Zeballos is about three days journey from Vancouver by the steamboat route.

But by airplane, hopping across the Straits of Georgia and mountainous Vancouver Island, the trip can be made in a little more than two hours. Without flying facilities, Zeballos would have been much slower in its development. Planes now wing their way between the gold camp and Vancouver daily, Canadian Airways and United Air Transport operating on regular schedule. Most of the freight, however, is still carried by steamship.

Dr. R. J. MacConachie, resident engineer of the provincial department of mines, recently reported that the ground had been staked 20 miles around the main showings and that intensive prospecting this summer might show up more commercial deposits not yet recognized.

Some mining men declare the future of the camp depends largely on the result of the prospecting now being done not only in the immediate vicinity of Zeballos but up and down the west coast of Vancouver Island, wherever it is possible to make a satisfactory landing by plane or boat.

**Privateer and Trites**

"Activity in the district at present," says Dr. MacConachie, "may be divided into three classes: that upon the properties on which sufficient work has been done to permit them to be classified as proved deposits of ore; those that may be regarded as 'attractive prospects,' and finally the staked ground entirely undeveloped, on which there may or may not be surface exposures of sufficient apparent merit to warrant exploratory work."

The engineer lists Privateer and the Trites mine as the established properties of the district. Of the attractive prospects he lists Central Zeballos, Rey Oro and Gold Peak as typical. He regards the Beano group, recently taken over by the Nesbitt, Thomson interests, as an exceptional property, the gold values there being carried in sulphides.

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**God's Lake Gold Mines** showed net operating profit of $129,986 in the three months ended June 30, compared with $10,992 in the same quarter of 1937. Half-yearly figures show decided betterment, production for the current six-month period being $444,021 against $252,157 in first half of 1937.


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## Labrador Mining To Sell More Stock

From Our Own Correspondent

MONTREAL. — Labrador Mining and Exploration Co. is offering for sale balance of its treasury stock, 1,190,000 shares, at $1 a share. Rights of shareholders to subscribe to 7.93 shares for each share of stock held expired July 26.

Company holds exclusive concession covering approximately 20,000 square miles in Labrador for exploration. A large body of high-grade hematite iron ore has been discovered there. Development work is under way. There is authorized capitalization of three million shares, $1 par. Approximately 1,810,000 shares outstanding.

## Starts Fourth Hole At Virita Porcupine

Virita Porcupine Mines has started drill hole No. 4 at its property in Porcupine. First hole, sunk on the Cotton Vet group, returned low values. Hole No. 2 cut 10 feet of mineralization, but assays for it and for No. 3 hole are not yet available.

Virita's shaft is down about 60 feet. While high-grade formation carrying free gold dipped out of the shaft on its way down, the opening is being carried down in heavy mineralization. Company reports that development work is proceeding satisfactorily.

## McKenzie Red L. Hits New Highs

### Average Grade Better and Production Climbs

Best results in company history are reported in the quarterly statement to June 30 of McKenzie Red Lake. Results exceeded the best previous quarter—first of 1937—by more than $7,000.

Average grade increased from $14.87 in the previous quarter to $15.87 and total recovery was $233,431. In the previous high quarter, production was $226,022 from 13,832 tons for average of $16.34.

Gross production since commencement of milling March 31, 1935, is approximately $2,588,110. Production for the first half of the current year is $451,577 from 29,918 tons average grade, $15.09. For the first half of last year production was $425,311 from 28,473 tons for an average of $14.94.

Comparative table of quarterly production follows:

Summary of Mill Operations

| For Quarters Ended | June 30, 1938 | Mar. 31, 1938 |
|---|---|---|
| Ore hoisted, tons | 18,832 | 18,685 |
| Low grade sorted, tons | 3,950 | 3,649 |
| Dry tons milled, tons | 14,882 | 15,036 |
| Average grade | $15.87 | $14.87 |
| % extraction | 98.03 | 97.4 |
| Value in Candn. funds of bullion produced and marketed | $233,431 | $218,145 |
| Tons daily | 164 | 167 |

## Powell Rouyn Returns Soar

### Returns Per Month Double at $54,713

Net mine returns at Powell Rouyn for the quarter ended June 30 are almost twice as great on a monthly basis as for the seven months preceding. From the beginning of operations to March 31, this year, a period of seven months, net mine returns averaged per month $27,816. For the three months, March 31 to June 30, the average per month was $54,713.

Dry tons in April totalled 8,158, in May, 12,231, In June, 14,699, a total of 35,089 tons. Average value was 0.1673. Gross value was $205,535. Average value is higher as the rate for the 47,857 tons handled in the preceding seven months was 0.1517.

With current assets at June 30 of $155,639 and current liabilities of $60,631, net working capital was $95,052.

During the three months to June 30, some 1,275 feet of drifting, crosscutting and raising was done; also 498,076 cubic feet of slashing and station cutting, loading pockets and stope preparation.

Speeding up production resulted from the installation of two two-ton skips during the quarter. The hoist also was fitted with Lilly controllers. Additional transformer capacity and a 1,000-foot compressor is now being effected.

# News Concentrates

**Algoma Summit Gold Mines** reports gold production for the second quarter, 1938, as $58,903 compared with $46,833 in the previous quarter. The mill averaged around 185 tons for the period ending June 30. Millfeed has been drift ore, the bullion from which more than provided the payroll for 100 employees. At the same time stoping operations were done on four separate veins west of the main crosscut. It is planned to step up the mill to 500 tons daily. Costs in May were $3.48 per ton.

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**Avon Gold Mines**—of Montreal, has been granted registration by the Securities Exchange Commission, Washington, permitting it to sell stock in the United States.

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**Bankfield**—The north crosscut on the 525 level has cut three veins, the first two being quartz which assayed .27 oz. gold across three feet. Third was three feet of sulphides, assaying .31 oz. across three feet. Two samples from sulphides assayed .47 and 1.26 oz. per ton. Drifting will be done on all three veins and has commenced on the sulphide vein. The crosscut is being driven to reach the North zone, the original discovery. When it is reached crosscut will be continued through to iron formation where interesting results in diamond drilling were obtained.

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**Capps Gold Mine**—will close its mill down for four or five weeks while equipment is being added to remove copper and pyrites, increase recoveries and lower costs. Units for handling custom ore will also be added. W. B. McPherson, secretary, points out that recovery from the mill to date, including customs ore, amounts to $86,000; in addition there are values in the mill circuit.

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**Bayonne Consolidated** — Higher average heads are said to account for improvement in July production for this subsidiary of Grull Wihksne. For the first half of July production was $17,544 compared with $15,200 in the first half of June and $14,913 in the latter half.

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**Bankfield Consolidated Mines** advises that June output amounted to $55,442 from treatment of 4,000 tons of ore, average recovery of $13.86 per ton. This compares with production of $53,946 from 4,000 tons in May last, an average recovery of $13.48 per ton. For the first six months of 1938, production stands at $317,720 from 22,602 tons, an average of $14.06.

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**Chan Yellowknife Gold Mines** has traced the new west break for 2,000 feet, according to Miles Flynn, president. This break is 300 feet west of the main vein, which has been traced for 9,000 feet. Quartz vein in the new break shows widths up to 12 feet.

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**Dentonia**—The group of workmen on the old property have just sent 99 tons of ore to the Trail smelter. Dentonia gets a royalty on all ore shipped and retains the right to cancel the lease should the miners disclose anything of importance.

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**Howe Sound Co.** earned 89 cents per share in the three months ended June 30, against $2.48 in the corresponding period 1937. Company states that, due to unfavorable metal prices, entire production of zinc concentrates and part of copper production for the quarter were held in storage.

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**Payore Gold Mines**—has let diamond drilling contracts involving about 3,000 ft. of horizontal drilling on the 125-, 250- and 375-ft. levels. This drilling, with development of known and indicated ore bodies, is expected to put sufficient ore reserves and ore in sight within three to four months to warrant erection of at least a 150-ton mill.

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**Powell Rouyn Gold Mines**—elected Lester M. Keachie, K.C., president, at a recent directors' meeting, succeeding W. R. Johnston, who was named vice-president. Duncan Chisholm was reappointed secretary-treasurer and John J. Shea, assistant secretary-treasurer.

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**Privateer Mine**, with ore in sight estimated worth from $3,500,000 to $4,000,000, is planning to change from a private to a public company. Present capital consists of 250,000 shares, all issued. It is proposed to issue ten new shares for one old, so that the public company will have 2,500,000 shares outstanding. Mine is being prepared for operation of a 75-ton mill early this fall.

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**Quebec Bureau of Mines** has just issued a report entitled: "Mining Properties and Development Work in Abitibi and Chibougamau Regions," covering inspections made during 1937 by the Bureau's staff geologists. The report includes a summary statement of mines and prospects, the development work done, new discoveries made and, for some properties, assay results of samples taken during operations.

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**Sunbeam Kirkland Gold Mines**, in diamond drilling from the third level, has located a new ore body similar to the one already explored to depth of 478 feet, according to Dr. J. F. Wright, consultant. A flat hole cut the new ore 35 feet from the drift, and at last report was still in well-mineralized material at 70 feet. Showing will be investigated by a series of drill holes and crosscuts from second and third levels.

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**Wesko**—June production reported at $12,410 compared with $12,275 in May.

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**Winoga Patricia Gold**—announces sale of mining claims to Albany River Gold Mines and reduction of the capital stock of Winoga Pat. from $3 millions to $2.4 millions was authorized at the recent special general meeting of shareholders.

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**Whitewater Mines.** Under the recent offer of shares at five cents each, shareholders subscribed sufficient funds to provide working capital to resume operations when satisfactory arrangements for the sale of concentrates are completed. Alternative proposals are under consideration.

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**Ymir Yankee Girl**—Probability that results for July will be better than June when the best showing was made for this year was stated by the management. Gross June production was $45,000, the mill running 119 tons daily. The 16th level is now being opened up with most of the present ore coming from the 15th level.

## Stadacona Rouyn Sells Block of Stock

From Our Own Correspondent

MONTREAL. — Stadacona Rouyn Mines notifies the Montreal Curb Market it has received payment of $100,000 for a block of 250,000 shares of stock. It has also received $12,500 for a block of 25,000 shares.

Issued and outstanding capital of the company now consists of 2,291,611 shares, leaving 708,339 shares in the treasury. A total of 275,000 shares is under option. Outstanding shares have been issued as follows: 1,833,333-1/3 shares in exchange for old stock; 1,118-2/3 shares sold at $1 a share; 182,209 shares sold for $127,546; 250,000 shares sold for $100,000 and 25,000 shares sold for $12,500.

Options are outstanding for a period of six months on 75,000 shares at 50 cents a share, 100,000 shares at 75 cents and 100,000 shares at $1. When and if these options are completed, the company will have received $452,546 for 732,209 shares at an average of approximately 62 cents a share.

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**Quesnelle Quartz** has two drills preparing the mine for production, Mill is expected to be installed during August.


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